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# West Europe Report

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4 January 1985

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## COUNTRY WOULD GAIN NOTHING BACKING UN FREEZE RESOLUTION

Copenhagen BERLINGSKE TIDENDE in Danish 20 Nov 84 p 10

[Editorial: "The World Stands Amazed"]

[Text] As the governing party, the Social Democrats managed, through their economic policy, to bring Denmark's financial credit rating down a few notches. As the opposition party, the Social Democrats have managed to bring down Denmark's security policy "credit rating" to a corresponding degree. We are talking about a party that leaves its mark on the course of things.

The "four-leaf-clover" government has been able to do some things to counteract the first item above, with its economic reconstruction policy. But in order for this to be possible, it has had to bear the burden of the second item. Being patient in the face of the Social Democratic demonstration policy has been a serious detriment to the government's reputation both here and abroad. A policy can become so pragmatic that it begins to turn into a caricature of itself. The economic necessity of having to skate temporarily on thin ice relative to security policy can naturally be understood somewhat better inside of Denmark than outside. Our European and American allies have observed Denmark's foreign policy behavior patterns with increasing amazement, and they are about to give up and declare them inscrutable. FRG Chancellor Kohl was politely critical during his recent visit. Prime Minister Thatcher has expressed utter bewilderment. The American statement which was released last weekend pulled no punches, and although it did not cover the American government's entire policy relative to Denmark, it was characteristically and sufficiently frank.

It is a fact worth pondering, that our most important allies--the United States, Great Britain and Germany--view our security policy attitudes with the utmost skepticism. They admit that it has not cost anything, aside from the missile funding that fell through; but that is perceived as an indication of Danish defense motivation. It is a serious problem for our government, since it undermines our relationship of trust inside of NATO, and the government is in no condition to solve the problem by itself. The damage can only be repaired by means of cooperation with the Social Democrats who caused it in the first place. And so it is our hope, then, that this cooperation may come about soon, after the Social Democrats have had their say about themselves and the government, as regards the report from the Dyvig committee.

There have probably been too many demands made for the Social Democrats to hold onto power, before it gives it up. Meanwhile, there was a marvelous opportunity this week. This new scandal relative to the new U.N. resolution is a classic example of how we damage our reputation without reaping any benefit whatsoever. Three communist nations have proposed a tempting disarmament resolution against the first use of nuclear weapons, which has the marvelous side effect of standing as a judgment against NATO's permanent defense strategy. We are suddenly expected to take up a particular position relative to this. In order to show our unparalleled repulsion towards nuclear weapons, we are supposed to take up a position opposite from our allies, instead of voting against these tactical taunts from East Germany, Hungary and Cuba. The world wouldn't improve by one iota if we did it. Our friends would only shake their heads in amazement and say, "What good is that supposed to do?"

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## SWAELEN, DEPREZ ON VIEWS OF SOCIAL CHRISTIAN PARTIES

Brussels LE SOIR in French 24 Oct 84 p 8

[Interview with Frank Swaelen, president of the CVP, and Gerard Deprez, president of the PSC, by Janine Claeys, Catherine Ferrant, Yvon Toussaint, Jacques van Hoorebeke, and Jacques van Solinge: "Between Gerard Deprez and Frank Swaelen, More a Side by Side than a Face to Face: 'I Want a Super Status for Brussels, Frank' -- 'Why Not?'" ; date and place not given]

[Text] Nothing is either black or white in the realm of the social Christians! And the subtle and cautious face to face which Gerard Deprez and Frank Swaelen agreed to participate in for LE SOIR turned out to be more of a side by side than a face to face. They hardly confronted each other, or only so politely... They fear one another, they flatter one another, they love one another in the manner of Saint-Exupery which, as everyone knows, is "to look together in the same direction"...

The same direction? That remains to be seen... The points of divergence between the CVP [Social Christian Party (Flemish)] and the PSC [Social Christian Party (Walloon)] do exist. Clear, neat, unavoidable. They are community issues: limits of Brussels, ministerial reorganization, communitarization of education. They are also clearly described, shouldered, on both sides. At a less factual level, Frank Swaelen described his party as the "quiet strength of Flanders," and Gerard Deprez accepts the noun much more readily than the adjective... Whatever they say about it, the CVP remains, not the big brother, but the uncle from America to whom you have to give a present from time to time. Such as, at the time of a debate, inventing a shock formula which will stand out. Gerard Deprez dreams of a "super status" for Brussels. Frank Swaelen does not say no. The word is laughable, the event significant...

But beyond -- or beneath -- that mine field, there is a cordial understanding. Nearly perfect. They meet when it is necessary. They do not want to separate in order to live, for the time of a legislative session, the adventure of an asymmetrical government. They stay married for better or worse. The worst

would apparently not be a stint in the opposition, which each of them dreams about like an impossible journey to the other side of the world. But perhaps it is located much nearer, much closer to the ground: in those famous "community deadlines" which, whether one wants them to or not, threaten the Martens V administration and the Deprez/Swaelen couple.

Question: Do you have frequent contacts, joint working sessions? Do you regularly exchange notes?

Frank Swaelen: Our offices are on the same floor of the same building, which means that we see each other often. But virtually never ritually: we hardly ever have structured meetings... But when there is a problem we call each other or we go see one another.

Gerard Deprez: And we have never tried to hide the fact that CEPESS [Center for Political, Economic and Social Studies] is a study center shared by both our parties, of which both Frank and myself are administrators. CEPESS prepares files on government decisions for the CVP and the PSC.

Question: And did you consult each other prior to this meeting?

Both: We called each other.

Complicity

Question: And how does each one of you see the other?

Deprez: I have the feeling that, with the exception of the community problems, there is a profound, natural complicity on numerous subjects between us and the social Christians of the North. But at the same time, at the level of organization, I am very clearly aware of our autonomy. For me, the CVP is the most important party in Belgium, a party which has exercised all the responsibilities of power, popular, largely supported by the social organizations of the northern part of the country.

Question: Is the CVP sick or in good health?

Deprez: The social Christian tendency is in 100 times better health today than it was before 1981. We have experienced a setback, and now we are in by far better health. On both sides...

Swaelen: From the time that our two parties became autonomous, our relations have become better. Before, the French speakers had complexes. Today, we have a relationship as equals, and for me the PSC has become a brother party, and the mutual complexes have disappeared.

Question: You say "brother party," but many people say "little brother"...

Swaelen: They said it, but they don't say it anymore. It is a question of relations.



Deprez: And then, for the first time, those who gave substance to that idea of little brother became themselves the little brothers of their Flemish counterparts. In terms of votes, the PS [Socialist Party (Walloon)] has today become the little brother of the SP [Socialist Party (Flemish)], as the former has nearly 200,000 fewer votes than the latter!

Swaelen: I have the impression that the PSC is more dynamic than it was 5 or 10 years ago.

Deprez: For the CVP I would rather use the word "maturing." And this based on a series of important choices. There is also, within the CVP, a new appreciation for the alliance which aims to put the country on its feet again.

Reorganization: A Real Difference of Opinion

Swaelen: This government is a good government. We have both bet on its pugnacity. One should avoid everything which might endanger it. It is true that soon there will be the problem of replacing Mr De Clercq, which will be a difficult moment because Mr De Clercq is solid and a very good minister. Hence, it will be necessary to make the correct choice in replacing him, and also to avoid the pitfalls of discussing all the possible and imaginable balances, which would entail a risk.

Deprez: In this regard we have a real difference of opinion. It is true that when the influence was distributed within the team, this was done while keeping in mind that a French speaker, Mr Davignon, was a European commissioner. He is leaving. It would not be healthy if the near totality of the functions in the foreign affairs field were to be exercised by the same community. Hence, Mr De Clercq's departure poses a problem; as a matter of fact, Jean Gol has recognized this. Hence, a more significant reorganization will have to be worked out at that time. I have no intention of touching the CVP ministers, but at that time I will take my responsibilities.

Question: Obviously, one of the two of you will have to change his attitude...

Swaelen: Let us not forget that the final responsibility lies with the government and the prime minister. Gerard and I have always agreed in terms of our effort to fight participatory, and if we are of a different opinion today, I feel that the responsibility lies with the prime minister. As far as I am concerned, if there is a problem I feel that it should be resolved at the time of the setting up of the next government. Representation abroad is an objective difference of opinion between us.

Question: You undoubtedly read in last Thursday's LE SOIR that Mr Fleerackers, president of the Permanent Commission for Linguistic Supervision, and a Fleming, gave a slight shout of alarm because the ministers do not respect the language laws and the French speakers are deprived of 5,000 jobs within the administrations. Is that a bone of contention between you?

Deprez: At the emotional level, my heart skipped a beat. That problem, which exists -- we have already checked it out --, will have to be taken care of.



But we should also understand how we got to that point: there are a number of objective reasons which have led to that imbalance, such as the change in the statute on forests, etcetera. And one should not necessarily talk about a plot.

Swaelen: I am a cautious man and I refuse to make any statement on the subject until verifications have been made.

Question: In French speaking public opinion, the CVP is often seen as the spearhead of Flemish intransigence. Do you agree with that opinion?

Deprez: My feelings are ambiguous: it is true that as the main Flemish party, the CVP represents the way the Flemish behave in the Belgian state, which does not correspond to what we would like. But in terms of sectarianism, the CVP is judged wrongly: the People's Union [VU] goes further in Flanders; it already says that it is separatist. And Karel Van Miert does not want to be outdone... It seems to me that the CVP is a more proper partner, with whom one can negotiate.

#### "Quiet Strength" of CVP

Swaelen: Yes. There is greater extremism. You are describing a CVP as seen by the French speakers, but it should be described as seen by the Flemish. In Flanders it is often felt that the VU is right in being more radical, and some people feel -- which I challenge -- that the CVP is too soft. On the other hand, I don't believe that the CVP makes virulent statements. It is the popular party of Flanders, its ideas are those of the moderates in Flanders. We are, if you will, the quiet strength of the Flemish Movement.

Deprez: It is a strength, and at times it manifests itself quietly, but it is not exempt on occasion from more emotional outbursts...

Question: Erik Van Rompuy is a moderate?

Swaelen: He has a great deal of talent and he is a real social Christian. It is a malicious fairy tale to say that he translates what Mr Tindemans thinks. My party can only benefit from having people with so much talent and dynamism.

Deprez: There are different kinds of talents... But I am not questioning either Van Rompuy's capacity for arousing enthusiasm within his party or his intelligence...

Swaelen: We are a large party, and it is a blessing to have a variety of people, with some who go farther...

Deprez: ... But the same arrogant way he expresses certain theses creates terrible misunderstandings within French speaking public opinion. There is also the tone and the manner in which he says things.

#### Arrogant People in the PSC?

Question: Are there also arrogant people within the PSC?

Deprez: I don't think so. We don't have anybody, I think, who would say: "I am interested in the Belgian state as long as Wallonia dominates..."

Question: Mr Swaelen, are you defending Van Rompuy as an heir apparent?

Swaelen: My succession is not on the agenda.

Brussels: A Super Status

Question: Let us turn to the borders of Brussels and the status of the inhabitants of Brussels...

Swaelen: The four presidents of the Flemish parties have said clearly that as far as the Flemish are concerned, the borders of Brussels and of its outskirts is a settled matter. We feel that a compromise was achieved twice and that it is useless to reopen the discussion.

Deprez: All the French speakers are opposed in principle to this thesis. And if nothing is changed relative to the outskirts, nothing will be changed relative to the Flemish minority in Brussels. Thus, if the borders of the outskirts are non-negotiable, other things will also be non-negotiable. When they take their positions the Flemish parties are very well aware that there will be a counterpayment and that, in any case, they are delaying everything. For the moment, at least, we cannot talk of unblocking...

Swaelen: No, indeed, nothing has been unblocked.

Question: But there are ways out anyhow?

Deprez: Significant changes are currently taking place on the electoral and political levels in Brussels. On the electoral level, it is the liberal tendency which is progressing most. Which proves that the people want to develop the economy of their capital. That is the way to arrive at negotiations: it would be to the advantage of both Flemish and Walloons to have a prosperous capital.

Swaelen: It is to the advantage of both Flemish and Walloons to have the same capital.

Question: Couldn't what you just said be the beginning of a convergence?

Swaelen: Yes. Informal talks are taking place...

Deprez: We will find a solution. Brussels should be given a super status.

Question: Do you agree, Mr Swaelen?

Swaelen: I agree that the problem of Brussels as the capital of the country and of Europe must be solved. That is a good approach, even if I don't know whether it would involve a super status.

## 'Attractive' Provincial Federalism

Question: How do you feel about the idea of provincial federalism?

Swaelen: The idea is very attractive. It allows the problem of the number of components of the federal state to be solved. But the provinces are too small to serve as anchors. I remain an advocate of a federalism of two with a capital-territory status for Brussels.

Deprez: I don't believe in a federalism of two. In fact, we already have a system of four with, in addition to Flanders and Wallonia, Brussels and the German speaking Community. The idea of provincial federalism was born following the laws of 1980 because some people were afraid that Belgium would be shattered. But there will always be Dutch speakers and French speakers in Belgium and the community dualism will always exist. But the mechanisms of autonomy must be countered by mechanisms of integration. The French speakers must learn to speak the language of the other community. It will be possible to strengthen the role of the provinces within the Regions and the Communities, but one should not seek refuge in the fiction of provincial federalism.

Question: Your convergences don't include the communitarization of education?

Deprez: I am not a petitioner. I am not going to fight for a reform which will give the French speakers fewer financial resources. Furthermore, when I see the behavior of the PS in the School Pact Committee, I want to avoid conflict situations which free education would have to pay for.

## Flemish Sociology

Swaelen: We made the mistake of not establishing complete cultural autonomy in 1970. There was frustration among the Flemish. They must be given the power of decision making in matters of culture and education. But as the Belgian situation in school matters is very special, one must settle the problem of free choice and the problem of equality among the networks. As a matter of fact, I am not even sure that everyone will agree to provide those guarantees.

Question: You disagree then?

Swaelen: Even if there are convergences within political families, the community frictions are a reality of our political life.

Question: Aren't people in the PSC jealous of the good relations which the CVP maintains with the Christian Labor Movement [MOC]?

Deprez: But I have excellent relations with Robert D'Hondt!

Swaelen: The situation is not the same. In Flanders, the ACW [General Christian Workers Association] militants stayed in the CVP. Even if some of them sometimes consider creating a new party, they did not scatter among other parties.

Deprez: For us, the only organized component of MOC which resisted politically and electorally is the one which remained in the PSC. The others have been eroded. Some of them dream of a new party. But, as for me, I am ready to negotiate with MOC the conditions under which the representatives of the workers will be comfortable within the PSC.

Swaelen: One should not underestimate the sociological differences between Flanders and Wallonia. In Flanders the social groups are better structured and better organized.

Question: What do you say to those who state that the government balance has a definite liberal whiff to it?

Deprez: It must be noted that the liberal tendency was not elected by an overwhelming majority during the European elections. Be that as it may, after 3 years it is possible to draw up a realistic and balanced balance. State credit has been restored and the democratic institutions once again give confidence to the people. At the economic level, the performance is more than honorable. But the euphoria has disappeared.

Swaelen: I fully agree with Gerard's analysis. We must remain modest. There are no spectacular results yet, but there are obvious signs of a reversal of tendencies. What has been acquired is basic, even though it is not sensational.

#### Asymmetrical Government

Question: How do you react to the possibility of an asymmetrical government?

Deprez: I don't for a moment imagine that a social Christian party could get into the government without its counterpart.

Swaelen: Such a formula is thinkable, but it is not desirable. It would not be a good solution for us. For the others, that is their business.

Question: And a stay in the opposition?

Deprez: We don't claim that we will be in power forever.

Swaelen: We had sound arguments to go into the opposition in 1980. But it was not possible, either politically or arithmetically.

Deprez: I wanted to go into the opposition, but that was not possible. Therefore we have to go to the end and fulfill the mandate the voters gave us. If the voters misjudge us, then we will see.

Question: What advice would you like to give to your brother party?

Deprez: Among autonomous parties there is no question of advice but of hopes. But, parallel to autonomy, I am pleading that our parties try to identify the mechanisms of future integration of Belgian society.

Swaelen: I have no advice to give to the PSC. That is not my business. But we have to do more to become a European party. We undoubtedly concentrate too much on Belgian politics while the major problems have already outdistanced us.

## STUDY GIVES LARGE SWING VOTE EDGE TO CDU

Hamburg DER SPIEGEL in German 17 Sep 84 pp 27-31

/Article: "As Well As"/

/Text/ The SPD had market researchers and public opinion pollsters analyze ways of reclaiming a majority of votes.

If the facts are weak, the slogans must be strong. On the basis of this conclusion, Peter Glotz invented the "sediment theorem."

Last week, the SPD's general manager stated the Social Democrats had no intention of conducting the 1987 election campaign with less than full commitment: "For by that time, those followers of Kohl who are half-hearted will have accumulated so substantial a sediment of grief and rage that this federal chancellor can be replaced."

This plan is backed by nothing but hope, however. For some time ago, the SPD's Bonn executive board paid the social research institutes Infratest and Sinus over half a million marks for a study that was supposed to show the comrades a way of reclaiming for the party the parliamentary majority. What the pollsters and sociologists came up with last summer will make happy just one man: CDU Chancellor Helmut Kohl.

From the replies of 5,000 representative respondents, the institutes filtered a diagnosis, according to which Kohl's popularity is uncontested among the voters. The analysts found that the present party constellation is relatively stable:

--The CDU/CSU can maintain and--at least in federal elections--mobilize its voter potential "in spite of considerable disillusionment on the part of a substantial number of voters."

--The FDP's slide below the 5-percent margin is by no means final.

--At the federal level, "a majority for the ruling coalition is presently more likely than any other constellation."

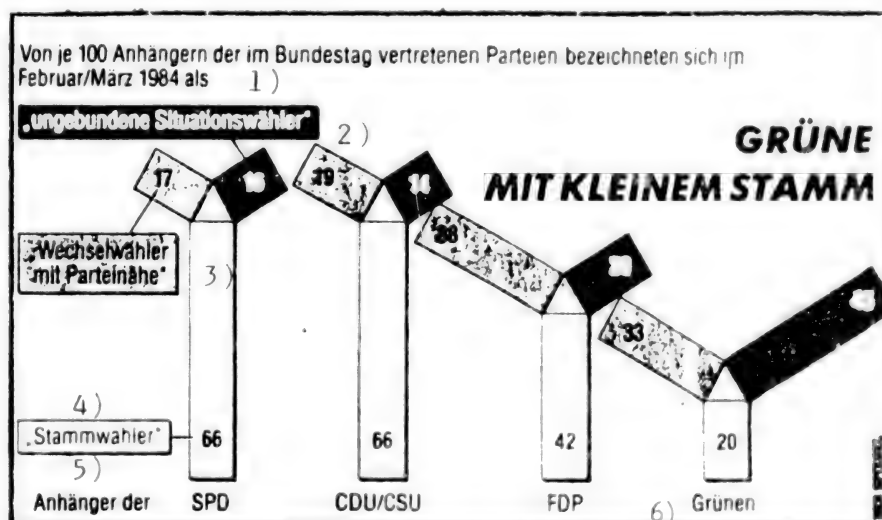
--The SPD may lose even more voters to the Greens who have stabilized their position and who "may possibly obtain two-digit results."

The researchers found that the CDU/CSU and the Greens, remaining strong in spite of public criticism, did not "flourish by virtue of their own achievements," because the SPD "is not sufficiently attractive for most voters to obtain a majority."

For a long time, the SPD--being confident this would be sufficient--had in election campaigns been satisfied with mobilizing its regular voters and ensuring a large turnout.

According to the data obtained, however, "the two big parties will not be capable of securing a majority, nor will the small parties be able to attain parliamentary representation, if they are supported only by their regular backers."

Graph. Greens With Few Regulars



Key:

1. In February/March 1984, a poll of 100 followers of each of the parliamentary parties produced the following results
2. Independent, spontaneous voters
3. Alternating voters with party preference
4. Regular supporters
5. Followers of the
6. Greens

Only 6 of 10 voters (58 percent) were and will remain absolutely loyal to their party; 21 percent will occasionally switch allegiance, being "alternating voters" with preference for one particular party. The remaining 19 percent belong to the politically "independent, spontaneous voters." These occasional voters mark their ballots spontaneously--and this goes for the Greens in particular (see graph); to the election analysts, this indicates that party allegiance is weakening.

Consequently, to be successful in an election campaign, the Union or the SPD must win over the alternating and spontaneous voters; in this respect, however, the Union parties are better off. As to the question regarding the citizens' second vote and the party they disliked the most, the researchers found marked differences in the sympathy and antipathy values.

The CDU/CSU followers have a clear concept of the enemy: 87 percent want nothing to do with the Greens. Only 3 percent of those sympathizing with the Union would give them their second vote (see graph).

The replies of the SPD followers, on the other hand, reflect the party's entire spectrum--from the "red-green" coalition plans of Saarland's Oskar Lafontaine to the scenario drawn up by Hermann Rappe, the chairman of the IG Chemie /Chemical Workers Union/, who would give preference to a CDU/CSU minority government tolerated by the SPD.

Just under one third of the SPD followers have "red-green" sympathies, while 50 percent have reservations about the green party; 43 percent of the Social Democrats regard the Union as the second best party, while for 25 percent the Christian party would be the last choice. Consequently, the SPD--no matter what kind of coalition it wants--will be "faced with troubles on the part of a large number of its followers."

The troubles are there already: Hans Apel, the right wings's top candidate for the Berlin elections, is experiencing friction with some of his party friends, because he ruled out from the outset a coalition with the alternative party. Holger Boerner, Hesse's minister president, was elected on the strength of the green vote and on account of this lost his finance minister, Heribert Reitz.

The Social Democrats' hope by means of a systematic conservative or green party-oriented policy to be able to curb the loss of regular voters has proved illusory. For approximately 40 percent of the uncommitted SPD voters are inclined to vote for the Greens, while 50 percent are leaning towards the Union parties. The voters older than 45, above all workers and salaried employees with an elementary education, alternate between the SPD and the Union, while the younger voters vacillate between the SPD and the Greens. Apparently, Willy Brandt's "resolute as well as" is the party's only way out.

If the experts' questioning and calculations were correct, the SPD can increase its present potential of 41 percent to the theoretical attainable "maximum" (54 percent) only if it is able to catch 8 percent of the CDU fringe voters and 4 percent of the Greens. This means that to obtain a majority, the SPD must win over black and green fringe voters. Thus, what is needed is a new two-track strategy for the late 1980's.

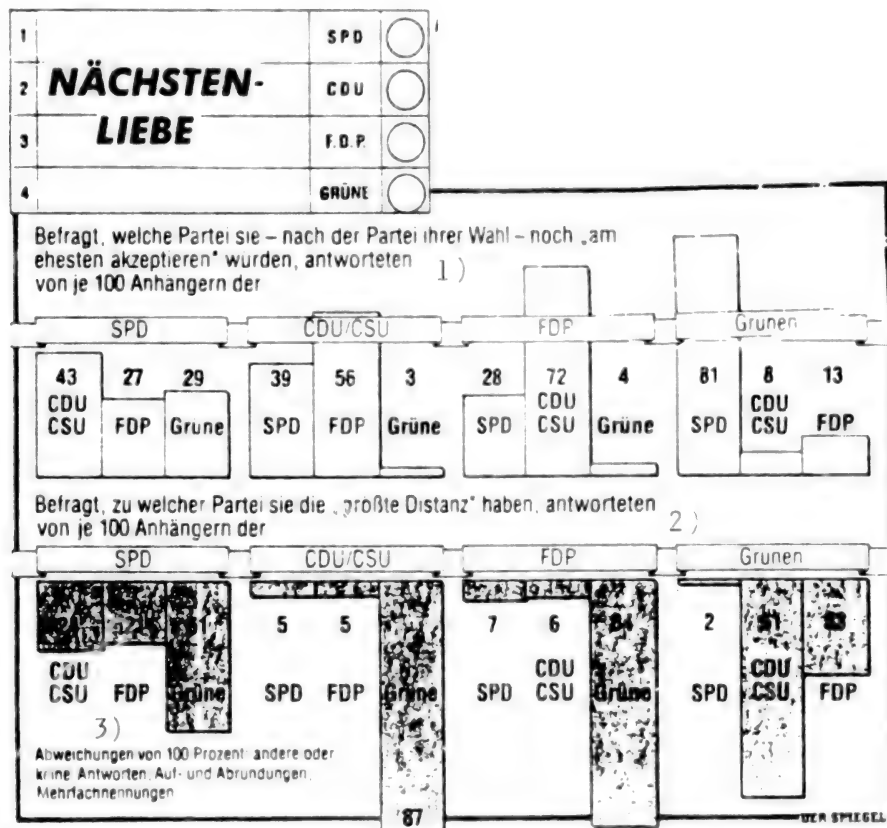
The election analysts had difficulty finding a typical SPD voter. By now, trade union membership is no longer a primary characteristic, nor are religious ties by themselves any indication of Union tendencies. According to the study, the SPD has lost "progressive-curious" fringe voters to the Greens without being able to offset these losses elsewhere.



The SPD has lost the sympathies of today's young voters and also the votes of the generation of first-time voters of 1972 and 1976. These individuals have rallied around the Greens, who invaded the SPD's traditional domain, the "world of leftist values," and who are presently offering "the ideological counter-concept" to that of the Union.

In other words: While the CDU/CSU is establishing itself as the "representative of traditional and enlightened-bourgeois values," the researchers have found among the SPD voters the tendency to reduce the party to nothing but workers' interests: The party is being excluded "from the discussion concerning the policy- and life-defining values."

Graph. Love for One's Neighbor



Key:

1. In reply to the question which party--next to the party of their choice--they would "accept most readily," 100 followers of each of the parliamentary parties stated the following preferences
2. Replies to the question from which party they felt "most distant"
3. Deviations from 100 percent: Other or no replies; roundings up or down; one party named more than once



Since the sociologists were supposed to furnish "planning data for the SPD's attaining a majority," they researched the voter pool as though it were a matter of producing marketing studies for new products. The study differentiates between eight social milieus that in combination yield a picture of German life:

- The conservative milieu (10 percent of the eligible voters) comprises professionals, self-employed persons and well-to-do retired individuals, who are disgusted with moral decay and excessive social welfare programs (CDU/CSU: 60 percent; SPD: 17 percent; Greens: 1 percent).
- The lower middle-class milieu (29 percent) includes junior high school graduates, low-ranking office workers and farmers, to whom security is more important than a career (CDU/CSU: 55 percent; SPD: 29 percent; Greens: 1 percent).
- The traditional workers' milieu (9 percent) is made up of skilled workers and pensioners (CDU/CSU: 34 percent; SPD: 52 percent; Greens: 1 percent).
- The nontraditional workers' milieu (8 percent) includes unskilled and semi-skilled workers (CDU/CSU: 31 percent; SPD: 49 percent; Greens: 6 percent).
- The upwardly mobile milieu (21 percent) comprises skilled workers and middle-income office workers (CDU/CSU and SPD: 40 percent each; Greens: 4 percent).
- The technocratic-liberal milieu (11 percent) is characterized by self-employed professionals. They seek self-actualization and some of them drop out of their career. While they deplore anonymity, they do nothing about it (CDU/CSU: 36 percent; SPD: 39 percent; Greens: 7 percent).
- The hedonistic milieu (8 percent) includes young people with a zest for life who talk a great deal about "alternative life styles" (CDU/CSU: 17 percent; SPD: 42 percent; Greens: 27 percent).
- The alternative, leftist milieu (4 percent) is made up of intellectuals, many students and unemployed persons, who are ecologically oriented and favorably disposed toward the peace movement (CDU/CSU: 13 percent; SPD: 46 percent; Greens: 32 percent).

From just two milieus--those closest to it (conservative and lower middle-class)--the CDU/CSU recruits 52 percent of its followers. The SPD, on the other hand, recruits no more than 37 percent of its followers from four contrasting milieus (the two workers' groups, the hedonists and the alternative milieu).

In plain terms: The Union has "not only a homogeneous, but also the larger voter pool," whereas the SPD must scrape the bottom of the barrel to obtain a majority.

The differences between the workers and the hedonistic and alternative groups become apparent, when the researchers inquired about vital "material goals."

The demands in the two SPD camps are worlds apart--whether they revolve around "dreams of an exceptional life style" and "cultural interests and creativity" or whether they are concerned with "social recognition" or "material security."

Graph. Environmental Protection



Key:

1. In reply to the question about the most important political problems, 100 voters answered as follows
2. Problems both important and personal
3. Problems important, but not personal
4. Environmental pollution, destruction
5. Air pollution
6. Toxic substances in foodstuffs
7. Polluted rivers
8. Inflation
9. Missile deployment
10. Threat to peace
11. Starvation in the Third World
12. Pension cuts
13. Earnings insufficient
14. Threat to social security
15. Unemployment
16. Computers/robots
17. Drugs and alcoholism among young people
18. Rationalization/jobs

The diversity of opinions in the SPD camp is matched by the homogeneity of views on the part of bourgeois voters: Here the focus is on harmony and performance, whereas the social services of the state are considered less important. In contrast to the Union followers, the FDP voters have practically lost their original image. The study states: "According to these findings, the party can no longer claim a niche of its own in the voters' market."

On the basis of their analysis, the institutes recommend to the Social Democrats a new approach toward attainment of a majority: Special attention to the voters in the upwardly mobile and technocratic milieus where "nothing has been decided as yet"; according to the researchers, the basic political views of this "younger technical intelligentsia distinguished by a sense of social responsibility" (Glotz) are fixated neither on the SPD nor on the Union.

Among the problems that in addition to indignation have now given rise to personal concern environmental issues are the most prominent; 77 percent of the voters complain about damage to the environment; 75 percent, about air pollution; 70 percent, about toxic substances in foodstuffs, and 69 percent, about polluted rivers--more than about inflation, unemployment, or missiles (see graph).

Environmental issues and problems concerning the Third World enable the SPD also to make an impression on citizens from the technocratic-liberal, conservative or lower middle-class milieus. The institutes (employing their sociological jargon) conclude that the SPD's chances are based on the fact "that in the market of competing problem-solving approaches groups with divergent value orientations consider it to be the more attractive party." This happened once before: In the late 1960's. That the SPD was able at that time to command a majority was not because it appealed to many people by virtue of its consistent ideology; it was Willy Brandt's Ostpolitik and Karl Schiller's aggressive economic policy that made an impression.

Occupying the opposition benches 2 years before the next parliamentary elections, the SPD has taken the lead on many issues--disarmament, a program for the Third World, against unemployment and for environmental protection. But it lacks politicians such as Brandt and Schiller whom the voters would consider capable of implementing the programs proposed.

Even the research institutes were not able to erase this deficit, the lavish fees from the party coffers notwithstanding.

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## POLITICAL EFFECT OF FLICK SCANDAL ASSESSED

Hamburg DIE ZEIT in German 7 Dec 84 p 4

[Article by Claus Offe, sociologist at the University of Bielefeld: "On the Parties' Habit Forming: Speculations on the Effect of the Flick Affair on Politics and the State"]

[Text] The spokesmen of the two big German political parties in the Bundestag have come up with the stereotyped as well as urgent assurance that the Flick affair is by no means a "crisis of the state." By going this far, they are involuntarily admitting that such an interpretation might not be so farfetched after all.

"We are bona fide deputies to this body...we have certainly not come here for the primary reason of making money." How far away from normalcy must we be, if such an obvious fact seems worth stating—as newly elected Bundestag president Jenninger recently did in a speech upon assuming his post ?

As regards the scope and the circumstances of the affair, I have met no one among my colleagues in the course of a little poll I took who did admit to having expected "anything like this." Quite a few, to be sure, are surprised at how surprised they are at the coarseness and directness of the infractions which occurred as a result of a conflict of interests between clearly stated laws and party considerations as well as between professional ethics and greed. Those of a critical turn of mind usually tend to be suspicious of the real world under any circumstances. In this case, the real world left us all gasping.

What are the possible consequences of this affair for the domestic conflict situation in the FRG and for its long-term political life ? In attempting to find an answer to these questions, there is no point in solely relying on demoscopic information. Polls can hardly tell us at what points and for what reasons the ground water of domestic politics which may have been polluted by the affair may rise to the surface some time in the future. In fact, knowing now that the impossible actually did occur, great care should be taken in trying to resolve these questions under any circumstances. There are three fairly plausible scenarios we might want to look at. I will now deal with them in the order of their desirability—from my point of view.

## Catharsis Leading to Tainted Truce

A famous American philosopher who also was a spokesman for the opposition to the American war in Vietnam in the sixties and early seventies, in speaking of the Watergate affair, said that it was like "Murderer (as printed/ Inc" being caught for tax evasion on top of everything else. This glaring comparison points up the difference between moral-political conflicts of principle on the one hand and mere scandals on the other. Scandals may serve the purpose of putting the really important conflicts on ice and to draw attention away from them—in the way one sometimes has to set a small forest fire in order to prevent a large one from spreading. The nice thing about a scandal is that it costs (hardly) anyone anything to be on the "right" side and for another thing, a scandal can easily be taken care of by meting out punishment to individuals or removing them from office. In this way it provides a simple opportunity to sweep questions of principle as well as structural problems under the rug.

Even if in the Flick case no one really figured it that way, things might still turn out like that in the end. One thing that speaks for it is that scandals tend to become a bore after a while in spite of their high initial entertainment value. Like a fleeing octopus, they leave clouds of information behind which consist of data, denials and details. These tend to distort one's vision and good judgment by means of what the Americans call information pollution. The semi-official show of contrite faces opens the way for the comforting thought that "something like this" will surely never happen again.

By the time things have progressed this far and calm has once more returned the matter no longer is the talk of the town but only the routine concern of prosecuting attorneys and media experts and as far as the public is concerned it can bask in complacent indignation. It withdraws its attention at least in part from the serious and difficult issues which otherwise make up the agenda of political life (such as arms modernization, unemployment, the dying forests or the crisis of the welfare state). In the final analysis, the ruling political elites come out ahead no matter how hard the going may be while the affair is "being taken care of."

Particularly as concerns the application of economic pressure on government policy the extra-legal exception to the rule tends to obscure the perfectly legal normalcy of this relationship. Government policy, after all, almost instinctively is directed both to the satisfaction of its own special interests (including those of the financial variety) and—even without receiving any premiums for it in the form of envelopes stuffed full of money—to the care, feeding and support of industry interests as well. In the midst of a turbulent scandal and thanks to that scandal, however, hardly anyone bothers to look whether that normalcy is functioning the way it should. I am not about to speak of a catastrophic situation

as regards education policy; but the encouragement this affair has already given to the unwillingness to think things through and to primitive conspiracy theories will surely create a great need for some academic damage control—because as compared to the conditions brought to light by this affair even the very simplest versions of state monopoly capitalism theory tend to look marvelously sophisticated.

#### More Suspicion and Cynicism

On the other hand, it cannot be ruled out that the scope of the Flick affair will stand in the way of "clearing up" and forgetting the matter quickly; that the cleansing procedures will not do the trick; that the scandal, rather than obscuring the remainder of the political issues being contested, will highlight them all the more. This is what would happen, if ideas such as the following were to take root in the public mind: if a relatively trivial matter like the granting of tax exemptions to a large industrial organization was capable of triggering these types of activities, then what is the public to think of the basic decisions on energy policy which were taken in the past or will be taken in the future?

There are some indications that the scandal cannot be contained at all and that the government will be unable to deal with it in anything like a salutary manner. A smokescreen of suspicion and reservations covers the political landscape which the government seems unable to pierce with efforts like the standard oratory of the CDU/CSU camp.

The already meager margin of trust enjoyed by the "established" political parties seems likely to shrink further as a result of the Flick affair. One thing which speaks for this argument are the Greens' election successes which can be traced in part to the scandal. Another thing that speaks for it is the loud complaint of the political parties themselves about the sudden drying up of perfectly legal, "unlaundered" financial contributions.

If cabinet ministers accused of wrongdoing pay for their trial costs out of government funds, then the police union seems perfectly justified in asking why "the lowly policeman" should be treated any worse. The fact that bad examples have a tendency not only of adversely affecting the trust placed in those who set them but also of public mores may soon also be felt by the fiscal authorities—because it is fairly safe to assume that this affair has not exactly served as an incentive to honesty in paying one's taxes.



In any event, political life in the FRG (as elsewhere) presents the picture of a process in which political decisions are taken at some remove from the institutions and rules devised for them. These unregulated procedures set their own ad hoc rules, as it were. They take place in situations and institutions which have nothing to do with either the constitution or the legal code. Examples of this are the many "circles" of the political parties; the coalition committees; chats by the fireplace as well as agreements and arrangements arrived at between the administration and private individuals outside the norms of the law. This type of thing goes by the name of "old boy network" or "cooperation," depending on one's own inclinations and the situation itself. Among the public, the suspicion aroused by such machinations tends to be magnified by the discovery that this type of "hanky-panky" between individuals and the government (including the political parties concerned) regularly involves material gain—which is something the parties depend on from a structural point of view to begin with.

This suspicion cannot be allayed by any stretch of the imagination by pointing out that after all /all/ the ("established") political parties solve their financial problems in this manner—because this argument in and of itself is the one that arouses suspicion in the first place. Power consists in the capability to present gifts is the way a clever neo-liberal once defined this situation. The voluntary aspect of gift giving subsumes the possibility of not presenting any gifts whatever—while the fear that the next donation may /not/ be forthcoming acts the part of a constant guideline of action and non-action within the political parties themselves. This amounts to a perfectly normal process of addictive behavior to which each political party may succumb in good conscience, knowing full well that all the other parties are acting along similar lines and that they will therefore be sparing in their criticism as concerns one's financial habits.

"Where mistrust has made itself felt, credibility must once more take root," Philipp Jenninger said. There is good reason to doubt that appeals and a handful of promises of good conduct will bring any of this about.

It would appear more likely that mistrust will really take root among the public. The political consequences are hard to gauge; but it would seem that they will further contribute to the political mood of "passive anarchism"—which is the way political life in the FRG as a whole has been described.

#### Return to Institutional Rigidity

The Left has long suspected the bourgeois elites of tending to "turn their backs" (as Rosa Luxemburg put it) on their own principles, ideals and institutions. Conversely, the parties of the Left would have to be all the

particular in adhering to the rules of the game and their institutional meaning—and not merely for tactical reasons.

The success story of the PCI in the city and regional administrations is based in part on their adherence to this principle. As opposed to the DC, which was widely felt to be corruptible and subservient to special interests, the PCI placed great emphasis on incorruptibility, transparency, immaculate administrative practices and all the other symbols of formal credibility. The voters honored this. It is not unthinkable that this principle might be imitated in our country too and that major segments of the electorate might put a markedly higher premium on "how" political issues are dealt with.

Of course one may consider it touching or just plain irrelevant when Green city councilmen turn down an invitation by the mayor to attend the opening of a new parking garage by saying that they wish to pay for their own drinks. For another thing, there are some grounds for scepticism about whether our political system really boasts the kind of institutions and regulations which make it possible to play the game exactly according to the rules. But that does not alter the fact that the time has long since passed where tearing down the institutions, forms and procedures per se constituted evidence of a progressive-critical point of view and where adherence to the formal ways of doing things and incorruptible devotion to principles was viewed as a fatuous habit restricted to conservative bureaucrats.

Under the circumstances then, a catharsis resulting from the Flick-cum-party affair—which was not merely temporary—might consist in opening the way to a new, rigorous and constructive view of political rules and institutions.

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## SPD LONG, SHORT RANGE PROBLEMS DISCUSSED

## Future Uncertainties Outlined

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 16 Nov 84 pp 3-4

[Article by Peter Glotz, SPD secretary for federal affairs: "The Discovery of Individualism from the Left"]

[Text] The 1959 Godesberg Program, which was 25 years old just a few days ago, provided the SPD with the historic opportunity of opening the door toward forming an alliance between the working class and progressive, upwardly mobile as well as middle class groups which would soon help the party attain the majority. The program served as the theoretical basis for rather concrete political platforms which seemed more in keeping with future needs to many than the patently obsolete incantations of the waning Adenauer state—namely new strategies for domestic reform and a new Ostpolitik.

Twenty-five years after Godesberg the SPD is not merely commemorating that event but has started working on a Godesberg II program—a process which will take several years. The purpose is the same as it was then: to come up with platforms more in keeping with the future and to form new alliances. This process amounts, among other things, to an admission that the old answers, including our own, are no longer sufficient in view of the fact that social and economic life as well as international politics have undergone fundamental change. Looking at the first Godesberg program with an eye to present-day problems, we find that it contains too many certainties which are certainties no longer.

That is not a problem of the Godesberg Program as such but a problem of our society as a whole. People have grown less certain of things. In fact, almost all the major certainties of the postwar era were put in question, were severely shaken or destroyed outright during the course of the seventies—such as growth rates in excess of rises in productivity which guaranteed full employment; cheap energy which provided a basis for this growth; firm exchange rates and along with these firm prices in world trade; seemingly inexhaustible natural resources; security through deterrence which

permitted us to live relatively free from care even in close proximity of the Soviet Union. All of these main supports of the postwar decades have now been put into question.

Let me repeat: people have become uncertain of things and as a consequence that reform coalition has shrunk. Some have fled back to the seeming certainties of the conservative response—and on the other fringe "movements" have formed which seek for absolute solutions.

In searching for ideas in keeping with the future, we must make it clear to ourselves that many of the old certainties no longer apply—including our own. We must take as our point of departure the eight great uncertainties regarding the future, as I have called them.

#### 1. What Comes Next After the Decades of Growth ?

One of the givens of the Godesberg Program is "steady economic progress." These very words were even used as one of the chapter headings. This economic progress was to be the motor for transforming and justly distributing the increased prosperity. Today we know that entire sectors of the economy are inexorably shrinking. In conjunction with the new technologies and the increasing environmental problems this produces tremendous pressure for adjustment and structural change which triggers crisis-like problems and with which we have not been able to keep pace. Consequently, the overall conviction of the fifties, as reflected in the Godesberg Program, that the crisis cycle can be controlled with the help of Keynesian economics is no longer tenable. The current crisis is an essentially structural and technological one; it is not cyclical. And the signs point toward a heretofore unknown disjunction of growth and employment trends. The number of unemployed in the Western industrial nations now tops 30 million.

Now this situation does not call for a contrite return to "Marxism" by any means. After all, the grand experiment of the planned economies (which has been running for 60 years) has clearly failed. But a few reflections on Marx, Hilferding and above all on Schumpeter may be useful in view of the second great capitalist crisis of the 20th century.

We need a new economic policy which formulates the principles of structural adjustment and structural policy. These principles might be laid down, for example, in a "structural adjustment law" just as the economic policy of the past era was contained in Karl Schiller's "stability and growth law." One thing above all is clear, I think: the willed impotence of the government must be supplanted by an active structural policy. Subsidies amounting to DM 200 billion would suffice to make it work. This does not mean that the government can pay for across-the-board modernization all by itself; but it must come up with substantial funds to prime the pump which must then be plowed back along market economy lines.

## 2. Is an Industrial Society Capable of Living in Peace with Nature ?

In 1959, there were only some initial indications of the strains and dangers facing the environment. The new program must elaborate some basic principles of a policy which goes beyond mere reaction to environmental hazards; beyond regulations and remedial action. The program should designate nature as one more production factor alongside labor and capital and include it in the economic process in an economical (which is to say in a thrifty and considerate) way. This environmental policy must develop new instrumentalities to promote qualitative growth—perhaps along the lines of sophisticated value added or product tax schemes. In a word: precaution rather than subsequent cleanup. The program does not call for opting out of industrial society but for adjusting and modernizing industrial society to do justice to the environment.

## 3. Will the New Technologies Take Us into a Better Future ?

The authors of the Godesberg Program viewed the development of technology and productivity as auxiliary motors of the growth machine. By now, output not only has outstripped growth for good but there are some sectors in which technological development is proceeding so rapidly that new products and processes are being created while others are becoming obsolete.

In my view, the new policy to be elaborated must say yes to international competition and develop new approaches for controlling it on the social plane (for example through factory constitutions and co-determination). If Europe were to renounce development along its own lines, it would be permanently relegated to the status of a colony. The alternative to an industrial nation dedicated to technology is not a nation dedicated to genteel pursuits but a third-class industrial nation which continues to be mired in filth and high unemployment. In the final analysis, the only tenable way of overcoming classical industrialism is via technological development.

But government programs in support of technology must guide its development and application in such a way that environmental needs are satisfied and progress in the quality of life is achieved. Furthermore, government must support technology transfer as well as the operation of small and medium-sized businesses and the creation of new firms and so see to it that these new technologies not only work to the advantage of a few isolated sectors of the economy but that they also lead to an across-the-board strengthening of competitiveness.

Since the creation of value is increasingly shifting from human labor to capital (i.e. machinery) as a result of technological development, the new policy will certainly call for a thoroughgoing modification of our tax system so as to make labor less expensive and to offset the disadvantageous treatment faced by wage-intensive factories and the service industry.

#### 4. Is the Future of Human Labor Secure ?

Full employment was an unquestioned goal both of the authors of the Godesberg Program and their political opponents. Today, in view of increased technological unemployment, the question arises as to whether the labor market is not running out of work. More than that, there are ideologues emerging into the open today who are speaking of a "two-thirds society" in which not everyone has a claim to a high-paying job and in which one-third of those willing to work must fend for itself—which makes for a distinct downward pressure. The dreams of some of the Greens with regard to dropping out en masse from the wage-earning society lend a helping hand to this type of thinking.

As for the SPD, it must hold on to the right to work without any reservations whatever. As long as gainful employment is available, everyone must get his fair share of it. To be sure, this will no longer be identical to full employment. If it is true that this type of employment will continue to decline both in scope and in importance as against other types of activity, then everyone willing to work should be entitled to gainful employment—although that employment may increasingly no longer be "full" employment.

This means that the strategy of the redistribution of labor, i.e. of shorter working hours, is the correct one. It is a very "real utopia" that gainful employment will be less of a factor in the lives of human beings in the future. To be sure, working hours will have to be shortened in a differentiated manner—less so in those sectors of the economy where there are only slight rises in output and where the availability of funds to finance the cut in working time is smaller and more so in sectors where output is high. In the aforementioned sector the process would be accompanied by a cut in labor costs. At the same time, the opportunities presented by industrialization made possible by application of technology should be courageously seized and put to use. Flextime gives people the advantage of "time at their disposal" while flexible working arrangements give people the advantage of more intelligent and humane types of work.

As working hours continue to grow shorter; as the "old factories" continue to shut down; as work becomes more decentralized and working hours become more flexible, we are experiencing a thrust toward individualization which may make many of the classical work ethics superfluous and permit new ones—such as creativity, independence and cooperation—to emerge. The fate of the labor movement will in no small measure depend on whether it is capable of developing ideas as to what the meaning of work is to be or could be in the years ahead.

## 5. Will Women Succeed in Achieving Social Equality ?

It is a fact that the women's movement, whose autonomous and traditional wings are increasingly beginning to cooperate, will become one of the most powerful cultural trends of the upcoming decades. We are confronted with a slow and inevitable decline of the patriarchal system, however grudgingly accepted. Since the political right is less flexible on women's rights than the left for religious, psychological and historical reasons, there is a great potential for change here—provided that we not only talk but also act and that we do not try to act in the women's name but let them act on their own behalf.

## 6. Can the World Economy and Our Position in It Be Stabilized ?

The 1959 program refers to the world economy and the Third World only in passing. There was less economic interdependence worldwide; the supply of raw materials seemed to pose no problems; growth based on the dollar standard seemed assured. Since then, our very substantial exports have led to extreme dependence on the world market; the oil shocks have confronted us with the limited supply and availability of raw materials and the world currency system has been unstable since 1973. International banking consortiums, uncontrolled by national central banks, have been extending huge loans to Third World countries which can no longer be repaid either in terms of principal or of interest.

The costs of these programs must be paid by the national economies of the Third and First Worlds—and this has led to a recession of the world economy. The international banking system is in grave danger; at the same time, the Third World's inability to pay poses a threat to our export industries. The attempt of the United States to weather the storm by incurring immense debts and importing capital makes our own situation even worse. To put it bluntly: a new type of financial imperialism has been developing over the past 10 years of which the masses in the industrial societies of Europe are as yet unaware.

We would require a world economic program of action by the Western nations to stabilize the world economy which would include cutting loans to realistically repayable levels; strengthening international monetary controls and devising a plan for the future of the Third World in place of traditional development aid with the aim of creating an indigenous credit structure. But we know that we cannot get any of this done all by ourselves. Should we therefore not talk about the problem ? No. Those who remain silent share in the guilt.

## 7. Can World Peace Be Preserved ?

In 1959, there was an arms race, too. The Godesberg Program calls for general disarmament and detente with the help of regional security systems. But since detente has not led to lasting disarmament processes and since



detente has largely been buried under an accelerated arms race and the renewed attempt to obtain military superiority; since new generations of weapons have brought war much closer simply from a technical point of view—ever since this has happened the organization of common security has become a matter of survival. This principle must be made an integral part of any Europe-wide disarmament and peace plan.

#### 8. How Can Majorities for Such Policies Be Found ?

The old reform coalition has shrunk, as I said earlier. That the attempt to reconstruct the traditional New Deal coalition is doomed to fail has just been proven by Mondale. Any democratic left must include the worker-voters, the progressive-technocratic middle class and those who think along alternative lines in the broadest sense. Even before the editorial writers started pointing it out to us we had discovered that these coalition partners are a very disparate lot.

Nonetheless, this coalition is capable of sticking together: from a world policy point of view because of their sense of responsibility; their refusal to hide their head in the sand and to be persuaded by the myth of **security through strength**; from a social policy point of view because of an attitude I would refer to as "individualism from the left" at the risk of being misunderstood. Much of what the future holds in store for us in terms of opportunities and dangers will depend on strengthening individuality: by shortening and individualizing working hours; by more independence and the emergence of new types of self-employment; by the creation of new types of activity and by the intelligent use of the new technologies—which no one, of course, can guarantee.

Why shouldn't there be a common individualism of creativity, responsibility as well as social solidarity ? The danger we face today is the relentless use of individual strength against those who are weaker. The chance we must fight for is the development of the individual within the framework of society.

#### Current Difficulties Assessed

Munich SUEDEDEUTSCHE ZEITUNG in German 10-11 Nov 84 p 4

[Article by Robert Leicht, editor for domestic politics: "The SPD in Search of Itself"]

[Text] 25 years ago—on 15 November 1959—the SPD adopted its "Godesberg Program." It was another 10 years before the party sent its first chancellor to Bonn. Currently, the social democrats are getting ready to "update" that statement of principles. How long will it be this time before they elect a chancellor again ? The state of the great opposition party should be of

concern to just about everyone including its political adversaries. An ineffectual opposition (and that would apply in principle to any opposition which could not really be considered a viable alternative) favors the decline of the governing majority without that decline resulting in any further political consequences. This year of mishaps and affairs in Bonn could not have run its course the way it did, if the SPD posed a serious threat to the ruling coalition.

#### Things Were Simpler Then

25 years later, the "Godesberg Program" has become a historic entity. If the social democrats of today wish to link up with that success of theirs by updating the program, they must take an entirely different set of conditions into account.

In the second half of the fifties, the SPD had the support of substantial, albeit limited core of voters. Though it did not have the necessary votes to form a government, the SPD did have a monopoly on forming the opposition because there was no other political party in existence then which stood to its left. As a consequence, it was faced with a laborious but essentially rather simple task. The SPD "merely" had to open up toward the center and—in order to achieve this—to rid itself of the traditional remnants of a long obsolete ideology. For another thing, the SPD was a thoroughly integrated political party at the time—or perhaps even a far too integrated party. The new program at the close of the fifties therefore did not have the job of creating a unified political party but rather of overcoming that very unity.

But now the situation is completely different. Because of the economic and social changes which have taken place in the meantime the idea of a labor party—even of an expanded labor party—is even more questionable than it was three decades ago. The SPD no longer has a rock-ribbed core of voters at its disposal and no hard-core strongholds to serve as jumping-off points for expansion. As the most recent polls have shown, it must in fact gather in minorities of the electorate from various disparate sectors: from the shrinking numbers of traditional workers beset by a wide variety of developments; from the middle class of academics; from the petit bourgeois class of the oft disdained secondary virtues; from the mobile group of adherents to "post-materialist" values; from aggressive self-starters in the apprenticeship and public administration sectors and from the drop-outs who neither want to, nor are asked to participate in the economy. This type of pluralism which is not so much invigorating as it is enervating brings on a number of substantive as well as linguistic problems.

## Trying to Cover All Bets

In words of one syllable, the SPD is neither sure of its own identity, nor does it know exactly whom to appeal to. To add to the misery, the Greens have emerged as an unconventional rival which is contesting both the protest and the opposition role played by the SPD. Thus, the SPD is forced to perform a kind of permanent social balancing act both vis-a-vis the political parties arrayed against it and within its own ranks. This brand of political gymnastics, however, is performed at the expense both of the party's health and its credibility. If the SPD was called upon in the fifties to come out of its shell, it must first of all do some inner soul-searching this time around.

To be sure, this SPD soliloquy suffers from the fact that it will start out by dealing with a reassessment of the past rather than the future in the aftermath of its failure as a ruling party. There is no sign that convincing ideas are as yet emerging, nor does anyone seem to know what questions the voters of, say, 1991 will be asking. By that time, 7 more years of new voters will be going to the polls. Can the party depend on reflecting the attitudes and meeting the demands of today's young voters? Is the SPD not chasing after obsolescent vogues by accomodating trendy policies all too readily? And doesn't that also apply to international affairs?

For another thing, no one can tell how the Greens will develop. Will they keep on growing? Will they stagnate at present levels or attain the maturity necessary for genuine cooperation or will they grow old sooner than expected and simply fade away? At any rate, processes of accomodation and integration are devilishly risky, if one is unclear both as regards one's own identity and the target groups one wishes to reach.

This, incidentally, applies not only to domestic policy but also to foreign policy. In looking back at the Godesberg Program, there is one thing in particular that should not be discounted: it was not only the domestic policy platform but above all the platform on national defense—and even more so Herbert Wehner's Bundestag speech shortly thereafter in 1960 which put the SPD squarely behind the Western alliance that opened the way to participation in government. But the SPD is taking things far too lightly these days particularly with regard to building confidence domestically in its security and defense policy views. To be sure, there has to be a reassessment of many of the traditional approaches; but the trendy policies engaged in by the SPD in this field do not win many friends for it inside the peace movement which is itself embroiled in ideological disputes even as they make for profound credibility gaps in just about every other camp both inside and outside the country.



## Flighty, Flexible Experts

Once doctored "threat scenarios" turn into wishful thinking and a refusal to accept reality for internal party reasons (in order to cast the unwillingness to move in concrete with the help of the appropriate arguments), one should not be surprised, if reputable peace researchers such as Egbert Jahn and Dieter Senghaas start to appeal to the SPD "from the right" as it were by painting a picture of the Eastern superpower which has not changed and will not change its offensive posture in the future for the likes of which Helmut Schmidt would have been booed off the rostrum. But at the same time flighty and flexible experts inside the SPD are talking about structural non-attackability which should be the hallmark of the Bundeswehr of the future as if social democratic defense ministers had been working toward achieving the exact opposite since 1969 and as if the Bundeswehr had ever been in a position to conduct offensive operations. Even the most simple-minded realize that there is something fishy here.

Once upon a time, the Germany policy of the SPD and its Ostpolitik were its trump cards. By now, the SPD has been relegated to second place even in these fields because the Bonn coalition (in some instances just barely) is taking over the results while the SPD is simply suppressing the basis which originally made that policy possible. 25 years after Godesberg, the SPD is situated neither at the end of these processes, nor at the start of new directions. It is floating in a kind of time vacuum or, to put it differently, has fallen between two stools.

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## SPD OFFICEHOLDERS DECRY GREEN COALITION ATTEMPTS

## Ruhr Mayor Cites Confusion

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 16 Nov 84 pp 3-4

[Article by Horst Niggemeier, 'a successful SPD mayor from the Ruhr basin and speaker for the party's right wing': "Wearing Green Greasepaint on the Way to the Ghetto"]

[Text] In the Baden-Wurttemberg communal elections in late October the Greens registered strong gains. In Tuebingen, in fact, the SPD slipped into a "third force" role behind the Greens. The SPD vote went down in a way reminiscent of the FDP slide. In other Baden-Wurttemberg cities, too, the SPD showed less strength and more weaknesses. The injuries suffered by the SPD cannot be explained away by the fact that the CDU's share of the vote declined as well.

The fact that the SPD was trampled underfoot by the Greens so visibly—much more visibly in fact than the CDU—in Baden-Wurttemberg of all places must surprise social democratic pundits in the industrial metropolitan centers of North Rhine-Westphalia above all. The environment as well as peace ideologues of the SPD come from the very area of the country where the Greens did so well. Even if one does not take the communal elections in Baden-Wurttemberg as a guide because of the specific communal situations, one need only refer to the Landtag elections where the SPD—first under Erhard Eppler and then under Ulrich Lang—was by no means able to attain a majority, winning 32.4 percent of the vote in 1984; 32.5 percent in 1980 and 33.3 percent in 1976.

An SPD wearing a green coat of paint seems to motivate the voters to cast their ballot for the Greens themselves or for the conservatives. In the North Rhine-Westphalian towns and districts, the social democrats, close-tied to the labor unions and pursuing a policy of opening the party toward the center, were able to parry the Green trend in the 30 September 1984 communal elections at the expense of the CDU and the FDP, holding on to their clear absolute majorities and in some cases even enlarging them. In cities such as Duisburg, Essen, Muelheim/Ruhr, Oberhausen, Bottrop, Gelsenkirchen, Bochum, Dortmund and Herne and in the districts of Reck-

linghausen, Ennepe-Ruhr and Unna, an apparently intelligible SPD politician succeeded in achieving clear and absolute SPD majorities despite the fact that all these areas are faced with formidable environmental problems.

The outcome in the capital of Bonn is more or less the exception to the rule. There, the SPD has by now managed to slip down to only 28.9 percent of the vote. But anyone who lets no opportunity go by—as in Bonn—to act in unison with the Greens and the communists should not be surprised that the voters turn elsewhere in droves: everywhere else but to the SPD. Any number of people are asking themselves who the advisers might be who could remind the SPD leadership to revert to their traditions and their self-confidence in order to get back on the road toward attaining a majority. That goal can only be reached by means of level-headed, unmistakably social democratic positions and not by means of dubious talk about alliances. The question really is whether things tend to get clearer when someone like Peter Glotz, the executive director of the SPD, says in a public statement that a coalition with the Greens or with the CDU is a possibility and Guenther Jansen, the SPD chief for Schleswig-Holstein calls that same statement "almost suicidal" a mere 24 hours later while making a recommendation of his own, calling on the SPD to "conclude new social coalitions by offering blueprints and practical programs on central political issues."

What Jansen means by "new social coalitions" can hardly point in the direction of the unions because such alliances are by no means "new"! Is he then referring to the Greens, the alternatives, the members of the peace movement and the homeless left? At any rate, Jansen can see people working inside the SPD who, in his view, are elaborating a "clear image" for the party. But these "new social coalitions" will no more make for a "clear image" than for a self-confident SPD.

Guenter Doeding, the chairman of the food workers union, has spoken of the "unparliamentary attitude of the Greens," having reached the sober conclusion that the Greens "aim to use their grass roots movements to put pressure on the parliamentary institutions." Under the circumstances, Guenter Doeding "does not think much" of forming a coalition with the Greens. Like him, both Hermann Rappe, the chairman of the chemical workers union and Adolf Schmidt, the head of the miners and energy workers union—who are SPD members of the Bundestag—have distinctly turned thumbs down on such coalitions. The unions, in fact, are more in favor of minority governments formed by the classical political parties subject to mutual acquiescence, if coalitions as such cannot be formed.

DGB Chairman Ernst Breit, for his part, considers "the unclear position of the Greens with regard to violence" unacceptable and says that both "the world view and the political goals of the Greens" are equally un-

acceptable to him being as unclear as they are. Perhaps these longtime trade unionists (and social democrats) would be the proper advisers for a party which is still searching for a firm foundation.

A recent commentary in the French middle-of-the-road newspaper LE QUOTIDIEN DE PARIS gave an indication of how these things are viewed elsewhere in Western Europe. "The real danger is green," the newspaper said. "And why? Because for the first time in the history of the FRG a totalitarian parliamentary fraction has emerged. It has done so with the senseless covert concurrence of the social democrats who have reached the end of the line and are willing to accept any sort of compromise in hopes of returning to power one day."

One is tempted to think that the French commentator was aware of the fact that the Greens will not forgo a single opportunity to embarrass the SPD. A good example of this was the following statement by Georg Fruck, a deputy to the Landtag of Lower Saxony, during a debate on the possibility of a coalition with the SPD in October: "The SPD is a political whore," Fruck said, "and its opportunism knows no limits." That is how the SPD is viewed by its potential coalition partners.

And Juergen Trittin, who left the communists and switched to the Greens, said during that same debate that he thought that joining the Lower Saxony SPD government would only make sense, "if one could act as a kind of representative of a broad-based mass movement to the government."

This is a revealing, anti-parliamentary attitude which not only proves the French commentator correct who called the Greens "openly totalitarian" but which is also evidenced by the oft stated goal of the Greens "to make this country ungovernable." The fact that Josef Leinen (SPD), who may become minister of environmental affairs in a Saarland government headed by Lafontaine, was the originator of the "ungovernability" platform does not make it any more acceptable.

Green activist H. Paulitz from Karlsruhe, who was one of the Greens at the federal level and now holds the post of Land chairman for Rhineland-Palatinate, ought to know exactly what is going on behind the scenes. Here are some of the exciting insights he announced publicly in October 1984:

"Despite all their local and regional differences, we can safely say today that those forces have reached the top of both the Land organizations of the Greens and the federal level leadership which would like to see a different kind of republic in the final analysis. These people are not interested in an environmental policy to benefit everyone. They mumble and manipulate insofar as it will conform with their strategic aims. First, former communists such as Reents, Trampert and others along with their handmaidens got rid of the environmental democrats such as Gruhl, Spring-

mann and others. Now it is the turn of people like Kelly, Vogt (from Kaiserslautern) and others. It does not take a great deal of imagination to figure out who will be left once this little game is over."

In the meantime Paulitz has "jumped ship," as he himself put it after he "became fully aware of the futile struggle against this 'mafia'." Why classical political parties such as the SPD should now join forces with the Greens is something democratic voters will find hard to understand in the long run. Former General Bastian reduced the situation of the Greens to a very simple formula, calling it "grass roots dictatorship of the incompetents." In response to grass roots pressure, Bastian quit the Green fraction in the Bundestag.

It is an obvious fact that a democratic industrial nation cannot be governed by means of dictatorship or incompetence; nor would such an arrangement be in the best interests of the working population and its democratic labor unions. As opposed to this eventuality, food workers union head Guenter Doeding recently stated that "the labor unions support this state and will defend it whenever the need arises. They do so if for no other reason than that they will not allow others to evade their share of the responsibility." The Greens will no doubt resort to demonstrations to sweep this responsible attitude of the labor unions aside no matter how chaotic the situation for the majority of the population might become as a consequence.

"Violations of regulations and laws" as well as "pinpointed acts of sabotage" are part of the Greens' political platform as can easily be documented on the basis of their 1982 Landtag election platform for Hesse. But is there anyone who checks these things out? These days, not only the historians deplore the fact that Hitler's "Mein Kampf" and Stalin's writings are not being read. The rude awakening did not take place until they started practicing what they had preached. Under the circumstances, genuine democrats would have a difficult time viewing such green-alternative platforms as a democratic philosophy—because in back of it looms that "other republic."

#### Parliamentarian Sees Identity Loss

Bonn VORWAERTS in German 3 Nov 84 p 10

[Article by Peter Conradi, SPD Bundestag deputy: "Greens Want to Be Real Opposition"]

[Text] The outcome of the communal elections in North Rhine-Westphalia has dashed the hopes of those who maintained just a few weeks ago that the gains made by the Greens were an accident or a kind of mistake on the part of the electorate and that the Green nightmare would be a thing of the past by the time the 1987 Bundestag election campaign rolled around. The Greens are good for five to ten percent of the vote—without making much of an effort in the campaign; without a real program; without candidates of either sex who are



real drawing cards and without a party organization; and they achieved all that in an SPD bastion where the local social democrats believed that the Green successes were due to insufficient party work in those locations and thus would not be repeated in North Rhine-Westphalia.

The job of digging for the reasons for this development should be left to the political scientists. If the party were to concern itself with it, it would quickly turn into a free-for-all of recriminations along the lines of whether Erhard Eppler and his writings had brought the Green votes about or whether it was Helmut Schmidt and his style of government which was responsible. That kind of dispute does not get us anywhere.

#### SPD Identity Must Not Be Jeopardized

All the talk about coalitions is just as useless. If Hermann Rappe dreams out loud for the nth time about a black-and-red coalition, then this comes down to an honorable attempt to help the Greens get more than 10 percent of the vote in the Lower Saxony Landtag election. But is that absolutely necessary? The question of whether the SPD will be in a position to assume the reins of government; whether it depends on the acquiescence of some other political party or enters into a coalition must be resolved locally on a case-by-case basis and the important thing will be the programmatic demands of the party and not the likes or dislikes of individual party leaders.

Our active members are not opposed in principle to a collaboration between the SPD and the Greens. Our voters, on the other hand, still harbor grave doubts in this regard. Anyone who today beats up CDU/CSU-style on the Greens and conjures up a red-and-green end of the world specter may have a difficult time of it after the next election explaining to the SPD voters why he needs the votes of the Green deputies in parliament.

Holger Boerner is right in saying that the identity of the SPD must not be jeopardized. Our political image must continue to be a clearly recognizable one: we must neither color ourselves green nor color ourselves black. But anyone who feels that the preservation of our political identity is the cornerstone of our political activities should also respect the claim of the Greens to preserve their own political identity—even if that identity has thus far been based for the most part on a common thumbs down attitude; in other words on protest rather than a carefully worked out program. There are many things about the Greens in fact which are exactly opposite from us. Many of their active members are opposed to collaboration with us whereas a majority of the Green voters is in favor of a collaboration between the Greens and the SPD.

There is one more contradiction I should mention. The election of Green deputies to parliaments at the federal, regional and communal level repre-



sents an affirmation of representative democracy which many of the Greens in fact resolutely reject. If we—the "old established" political parties—had done our job well, the Greens would never have topped the 5-percent threshold. And if the old political parties now take the issues more firmly in hand which brought the Greens into the parliaments in the first place, then this makes political sense from the point of view of the parliamentary system. It is frightening to hear Ernst Benda, the past president of the constitutional court, say that the election law should have been amended in time so that the Greens would not have been able to enter the legislatures. Those are the type of democrats we can well do without—who would tamper with the election laws, if the will of the electorate does not suit them.

Membership in the legislatures confronts the Greens with a basic contradiction. If they allow themselves to become a part of the parliamentary system and if they accept political responsibility, then that lessens their potential appeal to protest voters and protest members. But if they simply persist in their protest stance and do not accept their share of parliamentary-political responsibilities, then they run the risk of losing the very people who voted for them expecting them to work political change.

The situation may well be compared to that of the late sixties and early seventies. At that time, the SPD succeeded in integrating large segments of the extra-parliamentary opposition into the political system. The remainder which we did not manage to integrate drifted into resignation and terrorism. What we succeeded in doing then, we were no longer able to do 10 years later. At the end of its term in office, the SPD was no longer able to integrate the new social movements. The Greens are the ones who now have to assume that responsibility. Those who (like the CDU/CSU) try to label them as extremists and push them out of bounds politically are laying the groundwork for a new type of radicalism. The ecological crises—the dying forests; the ruin of our historic buildings; the toxification of our soil and the pollution of our waters—bring on a doomsday atmosphere which supports the emergence of radical attitudes.

The ecological crises such as our dying forests cannot be shunted aside; in fact, they may lead to reactions which could surpass the horrors of the terrorist activities of the seventies.

The Greens are therefore faced with a grave responsibility. The SPD must not jeopardize this job of integration as long as it is unable to do that job itself. It would be unrealistic to chastise the Greens for having protest needs and to ask them to adapt to the parliamentary system more rapidly. Thousands of young voters who would then turn their backs on the Greens would not return to the SPD fold in such an eventuality; nor would they go back to the CDU/CSU. Instead, they would drift into resignation; they would turn their backs on society and political life, join sects or possibly become radicalized.

## Collaboration with Greens Becoming Difficult

Things are particularly difficult for the SPD in those locations where it is actually collaborating with the Greens in whatever form. A new, as yet not fully developed political party which represents the tip of an iceberg composed of a great many movements does not yet have a well structured party organization; it has no experienced politicians and no ingrained, tried-and-true opinion and decision-making procedures. For another thing, that party will and indeed must incline toward protest activities, toward negation and provocation for the aforementioned reasons, if it is to hold on to its following. It was bad enough to have to share power for years with an opportunistic, unprincipled party like the FDP. Compared to what we are now confronted with in a number of locations, the socialist-liberal coalition was mere child's play.

To be sure, the Greens have no other choice than to work together with the SPD, if they do not wish to restrict their political activities entirely to protest and negation. In that regard they differ from the FDP which blackmailed us for years by telling us that it could just as easily work together with the CDU/CSU. As distinct from the socialist-liberal coalition which did not jeopardize the identity of the two parties (if one leaves the final, declining years of the coalition aside), any red-green collaboration will place a severe strain on the SPD vis-a-vis its voters and on the Greens vis-a-vis its active membership.

There is one more danger the SPD faces. Over the years, we were the FRG's reform party. For politically interested, creative young people there was no other choice but the SPD. Above all under the Brandt government we succeeded in winning over the political movement of the extra-parliamentary opposition—and that did the SPD a lot of good.

But today we are running the risk of losing critical-minded, creative young people to the Greens because the SPD has taken on the appearance of a well-mannered, bureaucratic and unimaginative opposition party.

The Young Socialists have maneuvered themselves out of bounds as a result of their sectarian, fractional quarrels. That is a very serious matter because the goal of the Greens is quite obvious: they intend to become the real opposition; they want to be the reform party of the eighties. That is a great challenge for us social democrats. But will we recognize it in time?

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## HISTORIAN SALMINEN PUTS POLICY TOWARD USSR IN WIDE CONTEXT

Stockholm DAGENS NYHETER in Swedish 11 Nov 84 p 30

[Article by Bo Grandien: "The Sky Over Helsinki"]

[Text] "If I end up in the situation of having to choose between betraying my country or a friend, I hope I would have enough courage to betray my country."

These are some famous words by the English author E. M. Forster. They may be taken as the basis for a conversation with author and publisher Johannes Salminen in Helsinki. Those words, as he says in his book "Gransland" [Border Country], published this fall, sound to us Finns as if they came from another world.

By that he likely means a world in which emotions, conscience and individual rights have the highest value. In Finland one has always had to learn that it is not always possible to live according to what is ideal. Forty years of lessons in national survival have taught the Finns that this is so. Thus, in the choice of betraying his friend or his fatherland, the Finn is probably forced to betray the friend. That is why the refugee policy looks the way it does.

## A Happy Man

This might sound terrible, as if the shade had been pulled down forever. But in actual fact it does not look that way. Johannes Salminen is a happy and optimistic person. He is of the opinion that Finland has a major role to play as a bridge between East and West. This is an exciting task, and it is more important today than ever before.

"During the postwar period," Salminen states, "the Finns once and for all rediscovered where their country is geographically located. They again reconciled themselves to living at the edge of the Russian land mass, which in Asia extends all the way to Kamchatka. The East is present in their lives as a challenge for better or for worse, and it is precisely as border beings that the Finns differ from the rest of the Nordic inhabitants. The horizon may not look any wider in Helsinki, but it is different."

The adjustment vis-a-vis the East is a reality which cannot be altered. But the Finns no longer feel like heroic outposts guarding against barbarism, as

the situation used to be described in the 1930's. Most important is above all the duty of being a bridge between the blocs. That is an international responsibility.

"But in a country where unity, the state and the nation have been emphasized for so long, at the expense of other values, there is risk that intellectual life and moral identity will become profoundly damaged. We are forced to turn away refugees from the East for reasons of realpolitik. This has the result that, in order to be consistent, we turn away all refugees, as a matter of principle. For the abovementioned reasons we also do not take a stand on what is happening in Afghanistan and, hence, we are not able to express our opinion on the terror in Chile."

This might create tiredness and apathy, mental paralysis. Instead, we rejoice all the more deeply, and for good reason, in our economic progress, in the trade. Everyone is happy about that: mining counsellors, workers, authors. But something essential is missing.

'The Russians Are Good for Us'

Salminen puts the dilemma in a different way:

"We are good for the Russians, and they are good for us. The small nations can continue to live in the shadow of the big if they do so cautiously, lie low, do not express opinions. We have learned that lesson thoroughly. However, going along with the conditions of power is not always without danger. What will happen, if one day the clever calculations fail and the naked force takes over? Then we may stand there, lacking the moral reserves which are a nation's innermost line of defense."

When Johannes Salminen speaks of Finland having learned its lesson thoroughly, he is not referring merely to the 40 years which have passed since the so-called continuation war against the Soviets ended in 1944. What makes his book so interesting is that he views the Finnish policy of cooperation with Russia in a much longer context.

This went on, in fact, during almost all of the 1800's and a good bit into the 1900's, that is to say from 1809, when Russia took Finland away from Sweden, until 1917, when Finland became independent. The period after that and up to 1944, "dynamic but foolhardy," can therefore, in Salminen's opinion, only be regarded as a parenthesis in Finland's recent history. Now, the country has returned to a more normal condition.

Prosperity Has Its Price

During the 19th century Finland was not a sovereign nation, but a grand principality under the imperial Russian crown. The country had its own constitution, however, and far-reaching internal freedom. The country prospered thanks to the economic ties with the East, and the Finns did not complain, in contrast to what people in Sweden believed. Finland enjoyed

better times than during the Swedish period. In the 1800's 90 percent of the country's iron and paper were exported to Russia.

But the prosperity was not free. A clever balancing act was needed in order not to disturb the good relations with the Russian mother-country. For this purpose, the Finns created a theory or a tactic based on the German thinker Friedrich Hegel (1770-1831). For Finnish application, the theory was polished by philosopher and politician Johan Vilhelm Snellman (1806-1881), known for his campaign advocating that the country's Swedish-speaking population should switch to Finnish.

Hegel taught that history was governed by a logical world order, which he called the world spirit. It moved irrevocably onward in its course. This took place by means of contrasts clashing against each other and merging into higher units, which in turn would split and, after struggling, form the foundation for yet higher levels.

This meant that each time, each epoch, was in its right over the previous one, and that world history itself became the world judge, who differentiated between what had potential for the future and what was doomed to perish.

Only he who took his place in this order was allied with the world spirit. Here, no dreams, escape from reality or self-reflections were any good. The duty was to work every moment for the life of the nation, of society. All might look dark and incomprehensible on the surface, but underneath was the logical pattern, and only the foolish tried to resist instead of accept the development.

On the part of Finland, it was therefore important to make the most of the existing situation, according to Hegel's words: "What is, is sensible." Or, as Snellman put it: The beginning of wisdom consists in recognizing facts."

All other considerations had to give way in favor of the objective of preserving as much as possible of the country's independence. For that reason the state was put before the individual, the whole before the part. The only thing important, Snellman said, is the permanence of the state itself. Whoever puts dreams about justice and love of mankind before the welfare of the state, betrays his fatherland.

Johannes Salminen points out that it was largely with the help of this tactic --which also contained a great deal of optimistic desire for activity, since people believed they had the future on their side--that Finland escaped the fate of Poland.

The Poles rose up against Russia twice during the 1800's, in 1830 and 1863. Both revolutions were put down with bloodshed and the country was deprived of its freedom. In the streets of Warsaw Finnish soldiers fought along with the Russians against the Poles. Those who fell were honored as heroes back home in Finland.



## Wrong to Irritate the Superior Power

One could not afford solidarity. Irritating the superior power was regarded as Don Quixotery (the knight who fought windmills) by the national Finnish wisdom. When the Polish uprising began in 1863, Snellman declared that a people has the right to submit to the external force of history in order to preserve its future. This is what Finland did. "Only rough tribes," he stated, alluding to the Poles, "are seen to fight until annihilated."

Snellman's words must be viewed against the background of the fact that 1863 was the very year in which the signal was given for a major reform in Finland. The determining factor was that Emperor Alexander II convened the diet (Parliament) after a hiatus of 50 years. The curves of the two countries --Finland and Poland--thus could not have clashed in a more drastic manner.

## Saved by a White Lie

But there were plenty of other voices as well in Finland, and things could have gone badly. Salminen points out the episode in December 1830, when a number of young men, among them Johan Ludvig Runeberg, sat in a cafe in Helsinki. Suddenly someone proposed a toast to Poland, which had risen a few weeks previously. The toast was drunk, but an informer--a mathematics professor-- revealed what had happened.

The then czar, Nicolas I, went into a complete rage and only a white lie saved the participants from severe punishment. The gist of it was that the word "Pole" referred to the last few drops in the glass.

As was mentioned: "The beginning of wisdom consists in recognizing facts." This was the motto of the Finnish policy of cooperation during the 1800's, and Paasikivi linked up with it directly, with Hegel and Snellman as godfathers, when he became president in 1946. Kekkonen continued on the same line.

"If only Kekkonen had made it a little clearer that he was continuing this 19th century policy, there might not have been quite so much criticism against him," Salminen assumes.

## Learning for the Future

Johannes Salminen is not one of those who study history for its own sake. He does it in order to learn something about his own time and for the future. One lesson to be learned from Finnish politics is that in the long run it became too conservative and acquired too many blinders.

"For example, people in Finland did not dare contact the oppositional Russian authors for fear of disturbing the neighborly relations. The result was that they were cut off intellectually. The eyes were turned toward Stockholm instead of Petersburg, where there was a seething intellectual life. We recognize this phenomenon today, but we do not have to accept it."



Other results were that liberal ideas had difficulty penetrating and that the habit of adjusting to stronger forces was later to create a dangerous receptiveness to Nazism. Yet another remnant of the Snellman system is the Finnish submissiveness and weakness for titles. Kekkonen utilized that.

#### Born on Aland

As most of Salminen's earlier books, "Border Country" consists of essays, that is to say compositions on various themes: history, politics, literature. The book is being published simultaneously in Finnish. Salminen himself was originally from Aland. In 1955 he defended his PhD thesis in Turku in the field of history of literature, with a dissertation on author Jarl Hemmer. The following year he was employed by the Soderstrom publishing company in Helsinki, of which he has been the literary head for a long time.

"Being a Finland Swede," Salminen says, while walking with rapid Hegelian steps along the banks of Helsinki, "is a privilege. We have Scandinavia, we have what is Finnish and then the whole East is open to us."

He repeats that it is vitally important to keep the relations eastward open, particularly at a time of growing conflicts. Salminen says that he is ashamed of the overtones in some of the Swedish debates, where for example the Homo Sovieticus concept has won acceptance. It is as if this refers to a different species of man.

Moreover, in his opinion Stockholm may sometimes make a somewhat provincial impression.

And that is for sure. There, one does not need to take up the struggle with the major problems, at least not yet.

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## FORCE OUVRIERE CLOSING IN ON CGT

Paris LE MONDE in French 20 Nov 84 p 21-22

[Article by Jacques Kergoat: "With 1.15 Million Members Claimed, the Workers Force may be the Second Largest Trade Union Confederation in France Today"]

[Excerpt] It is hardly arguable that Workers Force membership has steadily grown in recent years. To measure precisely the magnitude of that progression is a more delicate task.

Should one take into account the statistics published by the Workers Force itself, which cover not only the private sector and nationalized businesses, but also government service? The latter yield a result that is even rosier than the Social Security elections: for the period June 1983 to July 1984, the FO [Workers Force] reaches 29.62 percent, follows the CGT [General Confederation of Labor] by almost 2 percent and outdistances the CFTD [French Democratic Confederation of Labor] by more than 10 points. But these results--like similar ones published by the other confederations--include only the businesses that appear on the FO lists: it is easy to understand that each confederation finds many advantages in this method of calculation.

The elections to the business committees counted by the Labor Ministry in the private sector appear to be more significant. They place FO membership at a lower level: 11.7 percent for firms voting in 1982, 11.1 percent for those voting in 1983. It is necessary to know that part of the firms vote in even years and the other part in the odd years; thus, comparisons can only be made between one 2-year period and another 2-year period. But the recorded results roughly confirm the magnitude of the increase in membership; thus, the rate of progression, for the even years, is 46 percent between 1966 and 1982 and 48 percent between 1967 and 1983 for the odd years.

## The Structure of the FO Electorate

This progression has brought with it appreciable modifications in the FO's regional foundation. At its founding, it achieved its best scores in areas dominated by the "moderate", radical or socialist left. Its success in the Southwest was the best example of this. Today, its rate of progression is appreciably lower than its national average in regions of old socialist or radical tradition, like the North, Aquitaine or the Midi-Pyrenees. It is comparable to the national average but no more in regions where the Socialist Party in the

1970s experienced a sudden development, whether in "lands of conquest" like Brittany, or old industrial regions in crisis, like Lorraine. On the other hand, FO penetrations are being made in regions where socialism is in crisis, and the right has gone on the offensive, the best example of this being the Provence-Cote d'Azur region.

It becomes tempting, then, to explain the progress of the FO audience by suggesting a simple equation. Thus one would add, to the affirmed support of the political right, changes in the old industrial bastions, development of the tertiary sector and, more generally, a so-called supervisory population that is more receptive to the themes developed by the FO.

#### Supervisors and Workers

A per-college study of the votes in the professional elections does not confirm this hypothesis: the FO votes diminish in the third college--that of the executives--and increase, on the other hand, in the "supervisors and technicians" college (+59.7 percent for the even years, +81.94 percent for the odd years), but also in the "workers and clerical employees" college (+47.5 percent for the even years, +59.21 percent for the odd years).

Examination of the progression of FO votes per activity branch shows, moreover, that from 1967 to 1979 it was in the industrial branches of the secondary sector that FO showed the clearest increase (electronics construction, smelting, automobile and shipbuilding, etc.), while it increased more slowly, or even stagnated or regressed in the branches of the tertiary sector, in which, however, it had from the beginning a better implantation (banks and insurance companies, administrative professions). With only a few exceptions--an increase in insurance and a retreat in automobile construction--this is the same phenomenon we have continued to observe after May 1981.

Moreover, the FO audience seems to be rising among women and perhaps becoming lower among youths. While an investigation conducted in 1976 under the direction of Madeleine Guilbert\* showed a percentage of women voting FO--4 percent--that was much lower than the percentage voting CGT and CFDT, the IFOP [French Public Opinion Institute] poll on the 1983 Social Security elections shows, among workers and clerical workers, a percentage of FO votes higher than that received by the CFDT.

Conversely, a poll conducted on behalf of the CFDT in 1981 estimated that young people of 16-24 years felt closer to the FO (13 percent) than to the CFDT (10 percent). But the IFOP poll of 1983 places the FO behind the CGT and the CFDT with respect to the vote of the 16-24-year-olds.

The FO leadership has always contented itself, since 1948, with advancing the overall figure of 1 million members. A few factors, however, make it possible to measure that evolution.

Let us consider first the number of union sections. The figure put forward varies: 16,000 sections and unions at the national confederal committee meeting in Strasbourg on 28 and 29 June, 15,000 in the documents preparatory to the

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\*"Women in the Factory and the Office". Center for Economic and Social Studies of the CGT.

15th congress to be held from the 20th to the 23rd November at the Floral Park in Vincennes. Actually, the only reliable indicator we have is the annual census carried out by the Labor Ministry in firms in the private and parapublic sector; it attributes to the FO 5,467 union sections in 1981. What a long way from 1969!

From 1969 to 1975, the increase in FO sections still appears moderate. In 6 years, the FO progression is 13.8 percent, that of the CFDT 3.8 percent, the CGT beginning its first withdrawal: -5.9 percent. For the next 6 years, it goes differently: beginning in 1975, with the outbreak of the economic crisis, the curve takes off: FO rises by 23.25 percent, while the CFDT now retreats (-5.06 percent) and the decline of the CGT is amplified (-9.58 percent).

#### The Ascendancy of the Public Sector

Let us look now at the active members (see box below): whatever may be the margin of uncertainty that surrounds the methods of calculation, FO today certainly seems to be, with 1.15 million members if we accept the financial report of the congress, the second largest union confederation in France. By way of comparison, we point out that the CFDT announced in 1982 that it had 1,040,490 members, including 81,500 who were retired. Its members are calculated to be increasing by 30 percent, the number of "regular contributors" being 737,000 that year.

The FO increase is being accomplished first by a development of recruitment in the private sector. It has resulted in a decline in the percentage of public sector mandates in the congresses. This sector represented 60 percent of the total in 1969, but 45 percent in 1980 (including 30 percent for the actual government services). The lack of more precise information precludes giving details of this progression by federation and by region. The only other available data concern delegates to the Bordeaux congress in 1980. At that level, it can be seen that the ascendancy of the public and nationalized sector remains strong (57.3 percent of the delegates), that there is the beginning of a rejuvenation (47.9 percent of the delegates were younger than 40) and that the proportion of women is still weak (10.9 percent)\*.

The reasons for this increase are certainly not to be found in a more sustained protest activity; the Ministry of Labor statistics attribute to the FO the unleashing of 1 percent of the conflicts in 1983, compared to 12 percent and 41 percent for the CFDT and the CGT. In fact, FO is not developing on behalf of a rise in the activity and combativeness of the working class. The reduction in its active membership in the period immediately after May 1968--years that saw, on the contrary, an increase in the active membership of the CGT and the CFDT--appears significant from this point of view, all the more so because the post-1968 dip is also to be found in the progression of the percentage of union sections and in the votes in the professional elections.

In the same way, the increase in FO actives remained moderate from 1968 to 1974, an average 1.5 percent per year, while the CFDT actives increased during the same period by more than 4 percent per year.

\*Alain Bergounious, "Force ouvriere", PUF [expansion unknown], 1982.

But the progression grows from the appearance in 1974 of the economic crisis, where the actives of the other confederations decrease. The appearance of the curves testifies to this, as much for the professional elections as for the union sections.

#### All the More so Because Worker Combativeness is Diminishing

In fact, if one compares on the one hand the curves measuring the influence of the FO and, on the other hand, the curve of strikes, one would find the FO influence increasing all the more because worker combativeness is diminishing. The analysis is hardly arguable, and there is scarcely any need to explain the development of the FO in calling for support from the employers or the RPR; it is in the working class itself that the FO finds the roots of its development, partly in the sectors in which it has been able to appear more independent of the government than the other confederations, but in large part also in the sectors in which discouragement and resignation feed the temptation toward corporate withdrawing into a shell.

The "takeover bid" that today the FO is attempting with respect to the FEN [National Education Federation] is significant; it is developing while, through the meanderings of the government school policy, the great mass of teachers in the FEN have the feeling they have suffered an historic defeat on the question of secularism. According to a 1981 Louis Harris poll, 49 percent of young unionists (or sympathizers) in the FO consider trade union action not very effective (compared to 19 percent for the CGT and the CFDT). According to an inquiry by Madeleine Guilbert, cited above, 35 percent of the women unionists in the FO think that to live better "you have to change the system" (compared to 63 percent in the CGT and 61 percent in the CFDT), 40 percent of them have never gone out on strike (27 percent in the CGT, 25 percent in the CFDT).

In any case, it is an upheaval in depth in the French union landscape that is announcing itself today: the CGT is of course still the first-ranking French union confederation, but with a short lead, while it could once claim to represent in itself the absolute majority of French wage-earners. As for the CFDT, it is going to ruin--undoubtedly for a long time--its aspirations to become the first-ranking confederation. As for Andre Bergeron, his recently affirmed ambition to thrust the FO into first place is not totally without credibility now.

One cannot forget, finally, that this reconversion is being done on a basis of crisis and weak union membership in France. That the left's coming to power has thus precipitated the withdrawal and the lowering of unionism's influence is a point on the analysis of which has not yet been completed.

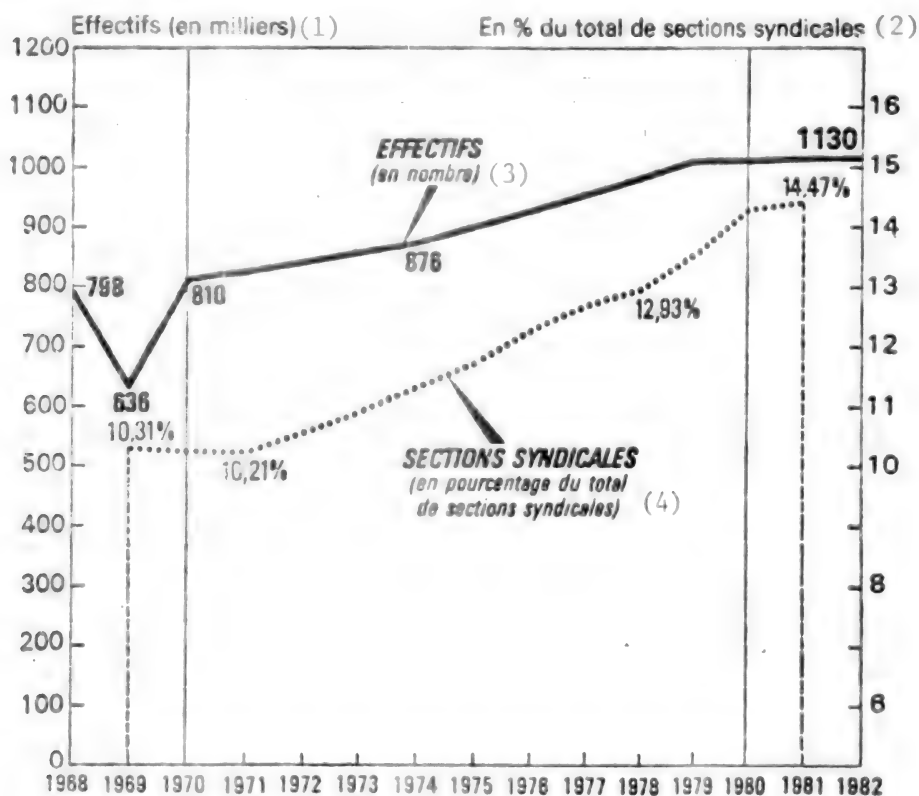
#### The Method of Calculating the Number of Active Members

Most of the researchers involved in the FO have accepted a method of calculating the number of active members that rests on the relationship between the share collected in the confederal treasury for each card and the total sum indicated for the cards in the financial reports. This is the method we have used in the preceding chart. However, it is somewhat uncertain, for at least three reasons:

1. The very idea of a confederal share being collected on the cards seems to refer as much to convenience in presenting accounts as to a rigorous census-taking.
2. Contributions coming in with a certain delay, as in all confederations, sums may be posted for 1982 which were in fact due for fiscal year 1981, or even 1980. And, conversely, sums may also be due for 1982 which will not be posted until the following fiscal year. Obviously, one cannot be certain that these two phenomena will exactly cancel each other out every year.
3. There is no way to distinguish what share is due for payments to retirees, while they are not subject to the same type of deduction as the active members.

Overall, however, the margin of possible error does not seem to be more significant than that which is allowed to exist by the method of calculating the number of active members officially used in other confederations.

For the Last 10 Years, a Slow but Sure Increase in the Number of Active Members



Key:

1. Active members (in thousands)
2. In percent of the total union sections.
3. Active members (number)
4. Union sections (in percent of the total union sections).

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## DE ROSE DISCUSSES NUCLEAR POLICY PROBLEMS

Paris POLITIQUE ETRANGERE in French Autumn 84 pp 665-672

[Article by Francois de Rose, French ambassador: "The Logistical and Tactical Nuclear Dilemmas of France"]

[Text] Although the increasing demand for our country's greater participation in organizing the defense of our continent was not just a flash in the pan lit by the elections to the European Assembly, solutions will not be found solely through good intentions or lyrical flights of oratory. After more than two decades of separate evolution of our ideas and those of the alliance--independence for us and integration for them--the situation encompasses some intellectual and material obsessions that will not be easily reconciled.

This is particularly true as regards the logistical role falling on France because of its geographic location and the issue of the use of its tactical nuclear weapons.

Between Isolation and Integration

What would France do if it were subject to conventional selective attacks on its territory, aimed for example at its communications centers, its air bases, bridges, tunnels, etc., but which spared the bulk of the resources needed by its nuclear forces?

The firing of a few tactical arms, used as a last warning, would be a logical part of our doctrine. But would the belief that we would switch to strategic arms be enough to stop an enemy who was only interested in destroying all of the logistical resources that would be or could be used to bring in our reserve forces and reinforce our allies?

The question therefore arises at the level of our participation in a conflict occurring in Europe.

If we were subject to such an attack, then obviously hostilities would be occurring in Europe and we would be involved, either by having declared war or by the fact that the USSR would implicate us at this level for the reasons just indicated.

This problem of our logistical assistance, like the problem of the part played by our conventional forces in NATO operations, is at the heart of the question of the role that we intend to play in the defense of Europe.

This involves knowing whether French territory, which is the geographic hinterland of the central European zone, will or will not be useful to the Allies, i.e., primarily the Americans and also partly the British, for routing reinforcements of men and materiel and probably as a top priority for receiving some of the 1000 airplanes needed to compensate for the initial numeric superiority of the Warsaw pact. The huge fleet of Soviet submarines probably means that, so as to leave nothing to chance, Moscow intends to add to the threat of a nuclear or conventional offensive designed to ensure very quick success, the threat of being able to make a full-scale attack on naval transportation if operations were to continue.

Without this support from our territory, the depth of the NATO zone, between the Elbe in the east and the border between France, Belgium, Luxembourg and Germany in the west, is nowhere even 600 kilometers. The vulnerability of the incoming traffic would be proportional to its density in the danger areas along the transportation routes.

From another point of view the question of this logistical support is directly linked to the question of the independence of our decision to be involved in the war.

As Raymond Barre, then prime minister, stated in a speech on 18 June 1977, the three conditions needed to ensure this independence, in other words our not being automatically implicated in a conflict, are that we not return to military integration, that we not fill a crucial role and that we control our logistical support.

Maintaining this control is one thing, but lack of preparation for such support is another. And there is surely room for preparations anticipating such full and complete assistance in the area where independent decision making does not exist.

What our country is refusing is automatic involvement as part of the Atlantic alliance because of events occurring outside of the area to which the treaty applies. Perhaps in France we have false ideas as to the degree to which automatic involvement, i.e., submission to decisions in Washington, is implied by belonging to the integrated military system. Taken as leading to an abdication of the responsibilities and desires of Europeans, it can also legitimately be seen as a response to certain problems of a military nature involving either large countries that do not have nuclear arms or less powerful countries whose military effort makes sense only within a more or less coordinated group. France would not be able to object to such automatic involvement within the Union of Western Europe which it is now trying to reactivate, once there is any aggression against the FRG (or one of the other signatories).

But going beyond the fulfillment of our commitments the question which must be answered if we want to emerge from the ambiguity that hovers over our defence policy is the following: Are our conventional forces a priori slated for the task of setting off tactical nuclear weapons in order to protect France and its approaches or are they designed to assist in defending the continent, leaving the nuclear task to specialized forces?

In the first case we would engage the field forces only for a half-accepted, half-rejected participation in operations in Germany, refusing logistical support which would be ripe with the risk of extending the conflict to our territory. In the second case we would be renouncing half-measures and playing to its best advantage the defense card, which is also the card of dissuasion.

Although our willingness to contribute to the defense of Europe is not encumbered with any mental restrictions, honesty compels us to examine this idea of the independence of our decisions, which is considered to be the keystone of our policy but which exists only as long as we have not limited it by our commitments. This is precisely the case when assuming that there is a conflict in central Europe.

If this assumption is taken as a given (and how could it be rejected?) we are required to give our full support to the common defense. And this must necessarily include logistical support. It is between the refusal to prepare for such support and the positioning of allied materiel on our territory, in other words between isolation and military integration, that practical solutions based on the type of problems must be sought.

The most important thing would be to recognize the obligation and where we are for reasons of logic and political coherence both as regards ourselves and our allies and to approach this problem from the viewpoint of organizing the common defense in cases covered by the treaties to which we are a party and not by referring to taboos supposedly inherited from the Gaullist legacy.

However, even during the best days of the withdrawal from the integrated military system, the rule followed in terms of cooperating with NATO was based on security needs. That is why we remained in the local air detection system (NADGE), in certain communications networks and continued to ensure the maintenance and operation of pipelines that were built with common funds.

Quite often Gen de Gaulle's successors, touting a doctrine for which they wanted to be the only authorized interpreters, went beyond what he had said himself, especially in the area of nuclear arms. This is why, in his press conference of 24 January 1963 when, after having stated the reasons why "integration is something that is not imaginable" and having said that France intended to build and, if necessary, use its atomic force, he immediately added: "That does not, of course, eliminate cooperation, whether it is technical or strategic, if it is desired by our allies." We know what happened.

In any case, and assuming that we are now big enough boys to look at the situation as it is in the future and not from 20 years behind, the most important point is to draw conclusions from the modification that has occurred since the bases of the flexible response strategy were altered because of the USSR's parity in nuclear arms and even its superiority in theater nuclear arms. Everyone recognizes the need for improved conventional defenses or, if you prefer, the increased role of conventional arms in the global dissuasive stance of the alliance.

It is in this light that we must see the problem of the role that falls upon us because of our position on the map, while realizing that intransigence on this point will not mean maintaining the status quo but a deterioration of the security of the group to which we belong.

#### German Concerns

The other issue involves our nuclear arms. And it should be noted that in this respect thoughts in France and in Germany are not on the same wavelength. The

French are primarily worried about the role that their strategic force could play for their neighbors whereas in Germany worries focus primarily on the conditions under which we would use our tactical weapons.

It is known that our thoughts are based primarily, if not exclusively, on the terms of a nuclear "guarantee" that we, and possibly the British, could give our European partners. Our strategic weapons, like those of Great Britain, consist of massive retaliatory forces. To claim to give our allies a "guarantee" as to their use would require us to commit ourselves to do what the United States itself refused to do more than 20 years ago.

Curiously, however, Helmut Schmidt seemed to be interested in this idea when he suggested that France and Germany raise a conventional force of thirty divisions (actives and reserves) and that the FRG be included in the area protected by the French nuclear force.

Let's bet, however, that in the spirit of the former Chancellor this suggestion means that he believes that raising this sizable conventional force could correct the relationship of forces enough to solidly bolster dissuasion.

On the other hand our tactical nuclear arms are what raise the most questions in the FRG where many voices belonging to the three major parties have become alarmed by the fact that some of the targets of our Pluton and later our Hades missiles are located in Germany and, as Franz-Josef Strauss pointed out, Germany also includes the GDR.

So they have asked that either their leaders be consulted before firing or that our targets be included in NATO planning or that our planning be the subject of an agreement between Paris and Bonn.

It is natural for the tactical arms of France and those of NATO to not be perceived under the same conditions in the eyes of the Germans. The latter are part of the nuclear planning group and are at the service of an operational concept approved by the defense plans committee, two organizations that include the FRG. And the general who commands in central Europe is a German general! In addition the alliance calls for consultation and firing authorization procedures, time permitting, which means that our neighbors could consider themselves sufficiently informed as to the circumstances that would cause possible use of American weapons and the conditions of that use.

The same is not true of the French tactical force since the philosophy behind this force and the decision to use it come solely from Paris. This explains the apparent paradox of the concern shown toward a force that is more than 50 times smaller than NATO's, whose targets also lie on German soil.

We cannot give uniform replies to the questions asked by our German partner.

The sharing of the decision to use the arms was rejected by the president of France in his speech at The Hague. In reality, sharing the decision would mean giving a

veto to both of the countries, which would counteract the credibility of the use of nuclear arms. In addition it can be asked whether the leaders of the FRG really want such a sharing of the decision because of the pressures from Moscow that this responsibility would expose them to.

Including the targets of the Pluton and Hades missiles in the NATO planning presents a different type of difficulty. The tactical arms of the alliance are designed to support the concept of flexible response including the possibility of nuclear exchanges as part of the front-line defense. The approximate numerical balance between the two camps confers, at least theoretically, a certain dissuasiveness to this concept. The same would not be true for the infinitely less numerous French forces. If they were used for the same strategy as NATO's forces, which would mean being included in the alliance planning, they would not provide anything that NATO does not already have in overabundance. As part of a different concept they add an element of uncertainty because of the dual centers and possible motives for the decision.

On the French-German level, however, the problem is a different one.

The discussion with Bonn on the choice of targets that our forces might have to attack should be made the subject of joint studies based on the deployment of the first army and the areas where it would be engaged. That may have already been started. And if we need a blessing from beyond the grave Gen de Gaulle's sentence mentioned earlier is there to give it to us.

The document published by the UDF entitled "To Defend Europe" sought a solution by suggesting that France abandon the doctrine of last warning (the use of tactical arms announcing the imminent use of strategic arms) and "the threat of using tactical arms on the front lines of Europe." This obviously means getting out of the situation described, or created, by the 1972 blue book which, in the name of the priority and credibility of the strategic threat, keeps the bulk of the French forces near our border and in fact prepares for the nuclear conflict to be held on our neighbors' territory in order to protect France.

This is the source of the UDF proposal which naturally and rightly takes the stance favoring increased and more coherent participation of our forces in conventional operations undertaken by the alliance.

Nevertheless, it is not certain that this proposal to deploy our tactical missiles in the forward areas answers our neighbors' concerns. Their problem is not to encourage us to use our nuclear forces quickly but, on the contrary, to be sure that we would not use them unless the general situation evolved to a point where it would be necessary.

Although it is correct to say that our strategic force contributes to dissuasion, it would be wrong to think that our ability to make the conflict a nuclear one at the tactical level could have the same effect. It is one thing to expose the adversary himself to unacceptable damages; it is another to threaten only a fraction of his forces operating in enemy or even allied territory.

This naturally led the UDF to state that it was in favor of dropping the doctrine of last warning. As soon as short-range missiles would be deployed toward the front line, the threat of resorting to strategic arms (which is normally associated with and follows the use of short-range missiles) would lose its credibility. The question which has no answer, therefore, would be to find out if there is an intermediary solution between last warning and nuclear exchange. If the answer is no, wouldn't our tactical arms placed in that position necessarily become the weapons for a confrontation with the Red Army, for which we have none of the required capabilities?

The results of such an initiative could be of two types: either a selective response against our forces in a singularly unequal duel or a widening of the nuclear conflict and subsequent destruction of Europe. In neither case can we see what feeling of increased security could result for either France or Germany.

For our allies there would be nothing less reassuring or welcome than if we used our tactical nuclear weapons too early in the operations. Quite the contrary at a time when "no first use" is the rallying cry of governments and public opinion!

#### Conclusion

If, consequently, the truth is that the nuclear issue is the one that least lends itself to a solution at the European level, two considerations can nevertheless be put forward to respond to German concerns and to our desire to improve our participation in organizing the security of our continent.

The first is that, as things currently stand, there is no reason for the use of tactical nuclear arms to be forced on French troops any earlier than for any of the other troops that are deployed between the Baltic and Austria. Probably even less because of their positioning during peace time and because of the creation of the nuclear forces command which is separate from the field forces command.

The second is of a more general nature. The real question is not to know how to use nuclear weapons but how not to have to use them. This is the problem of threshold, or the level of conventional defenses. It is part of the problem of logistical support, or if you prefer, of the depth we are capable of bringing to the defense planning of our territory.

These are not simple questions and are not the only ones upon which a more European organization of the security of our half-continent depends. But we will step closer to the solution by studying them from this viewpoint with our allies who are directly concerned by logistics on the one hand and nuclear matters on the other.



## INTERNECINE STRUGGLE, FACTIONS SEEN DIVIDING ND

Athens TO VIMA in Greek 18 Nov 84 p 15

/Article by Giannis Roumbatis; passages enclosed in slantlines printed in bold face/

/Text/ Despite hopes nurtured by certain individuals within ND, the 3 months that the major government opposition party has had /Mr K. Mitsotakis/ as its leader has not proved to be any better than the period of /Mr Averof./ Opponents of Mr Mitsotakis within his party --as well as certain of his party friends--maintain that while the new leader has provided them with a leadership he has not, however, been able to secure the confidence of his colleagues. The confidence of not only those who did not vote for him but of those who elected him party leader. It is being said in ND that the result is that Mr Mitsotakis has been forced to adopt the same tactics that led his predecessor to resign: he too has become a "balancer."

Included among the 40 ND deputies who did not vote for Mr Mitsotakis as party leader are many of the younger --and perhaps more capable-- ND politicians. Thus, Mr Mitsotakis could not but turn to them for the accomplishment of certain important matters.

Was it perhaps fortuitous that the ND rapporteur in the Chamber of Deputies discussion on the new service being established to inform foreigners on national matters is /Mr K. Giatrakos/ one of the most "exposed" in the Stefanopoulos group? And is it also by chance that /Mr G. Souflias/ was selected as the rapporteur on that section of the budget that relates to the 5-year plan to be submitted shortly?

The use in the Chamber of Deputies (and also outside of it) of deputies and cadres who "are well disposed" (?) to /Mr Stefanopoulos/ serves exactly those balancing games that /Mr Averof/ used to play from time to time --without much success as had been proved.

ND deputies who have "been used" by Mr Mitsotakis maintain that this is being done because the new leader believes that /"his friends are friends and it would be a good idea if his enemies too would become friends."/ Perhaps that is one explanation. Perhaps too there are others.

One of the other interpretations is the one that wants Mr Mitsotakis /"a prisoner" of Mr Averof/ and the deputies who the former ND leader influenced. According to those who support this version, Mr Mitsotakis is not facing an organized pressure group on all issues but on important developments he is being forced to take into consideration the opposition of this group. These individuals say that an example of what can happen to Mr Mitsotakis, when the latter "ignored" the desires of Mr Averof, is the ONNED /Youth Organization of New Democracy/ happenings.

Of course, it is uncertain how much the winning over of the "Stefanopoulists" or the submission to the "Averofists" has brought concrete benefits to /Mr Mitsotakis./

This uncertainty must also be felt by the ND leader himself who /has been trying "to share responsibilities"/ with his associates in the two top level collective organs of his party. Thus, both in the political council and in the executive committee, Mr Mitsotakis is much more "democratic" than his predecessor.

The interesting point is that in the political council specifically, three of the five members, namely /Messrs K. Papakonstandinou, K. Stefanopoulos and I. Boutos,/ are opposed to Mr Mitsotakis.

While Mr Boutos voted for Mr Mitsotakis as party leader, through his actions (such as his questions over Greek foreign policy in Strasbourg and his interview in TAKHYDROMOS), he is doing everything to challenge him. /Messrs K. Papakonstandinou and K. Stefanopoulos/ are simply maintaining a safe distance from Mitsotakis and they tolerate him so that they would not be criticized (!) for /"undermining party unity."/ As a ND deputy said, the only one who /"has any circulation of a consequential nature/ around Mr Mitsotakis" is /Mr Athan. Kanellopoulos./ Thus, the two "centrists" on the political council are going along together, having reached the positions they hold after having abandoned the Center.

And here is the dilemma: Mr Mitsotakis, the centrist, is being legitimized as the expresser and continuer of the most rightist tendencies in his party, while Mr K. Stefanopoulos, the traditional "populist" and rightist, is appearing as the leader of...the renovated wing of ND and the expresser of...the "rational Right."

Finally, Mr Mitsotakis' supporter in the ND leadership election, namely Mr Boutos, who has the reputation of being "centrist in speech" now maintains that ND does not need centrists but a centrist policy. He himself follows a rightist to extreme rightist policy in the Chamber of Deputies and in the European Parliament.

Mr Mitsotakis' mandate in the party's leadership has not brought about any surprises. The situation prevailing in ND prior to his election last September continues today. Certain protagonists have merely been changed while certain others have been transferred behind the scenes.

Of course, we could have some surprises. And the most probable is that such surprises will occur if the rumored movement of a few deputies who tend toward Mr Averof and who are allegedly inspired by strong "anti-Karamanlis" sentiments should "escalate." They are the ones who seem to have discussed the possibility of creating problems with the election of the new president of the republic next April.

Certain persons in ND, and those who take part in discussions we mentioned, believe that if problems are created with respect to a new president, their party's possibilities will be increased in the next elections. Devout wishes? No one can judge with certainty at this time. And yet if these movements continue the situation in ND will change still more.

## INTRA-PASOK OPPOSITION TO KARAMANLIS ALLEGED

Athens AKROPOLIS in Greek 18 Nov 84 pp 1, 2

/Article by P.N. Kamvysis; passages enclosed in slantlines printed in boldface/

/Text/ The schedule for all the critical developments that lead to the election of a president and the election of a new Chamber of Deputies begins immediately after the holidays. The catalyst of all these developments will be the announcement of Karamanlis' decision. In other words, if he wants to be re-elected president.

According to AKROPOLIS' excellent information, Karamanlis will announce his decision "at the proper time," specifically at the end of January or the beginning of February.

/It should be pointed out here that AKROPOLIS has repeatedly written the following: Until then, no one, absolutely no one, will be in a position to know what Karamanlis' decision will be./

Perhaps some individuals in his close entourage might have some indication on what he intends to do. But it is, of course, very hazardous to make any conjecture from this point until his decision is finally made.

It is hazardous because very simply put --according to all existing indications-- Karamanlis not perhaps come to a definite determination.

It is certain that this matter is of great concern to him. It is bothering him. And perhaps he is at this time facing one of the biggest, if not the biggest, dilemma in his life.....

But this matter is not of concern only to Karamanlis. It is of concern to the entire political world, particularly to PASOK and Mr Papandreou.

Indeed, all political observers agree that any decision by Karamanlis will have important repercussions on the government party. It should also be said that there is a "primary" Karamanlis problem within PASOK, or more precisely, in a segment of PASOK.

## The Dangers

Specifically, this involves the extreme leftist PASOK group that is opposed to any idea of supporting the current president in next April's election.

This group does not want Karamanlis as president because it knows that "so long as he is there" he would not permit passage of policies that would endanger the clear orientation and security of the country.

Besides, Karamanlis recently stressed this point. Speaking in his well-known clear and straightforward style, he told guard officers in Salonica on 27 October:

/"The dangers threatening us today are so serious that they tolerate neither internal differences nor experiments in our foreign relations that would weaken the defense capability of the country."/

Using the above strong admonitions by Karamanlis as an excuse, the leftist group renewed and intensified its policy against the president of the republic. And by cultivating the psychological atmosphere brought about in the prime minister through the president's statement in Salonica, the group unleashed an all-out attack whose ultimate goal is:

/To deflect and frustrate any intention by the prime minister to vote for Karamanlis as president./

For the moment, specifically a few days ago, the impression had been created that Mr Papandreou had in some way been hooked to these suggestions. Indeed, many individuals had spoken about "coolness in the relations between the president and prime minister."

Nevertheless, this is not going to decisively influence the prime minister's thinking. Logically, he too must have composed the possible scenarios of political developments and have examined his manner of acting, given the fact that:

/The prime minister has been reliably informed that the president of the republic will announce his decision on his re-election "at the proper time," specifically in the beginning of the new year./

## Interpretations

It should be said at the outset that Mr Papandreou is dominated by the view that "there is no more suitable person for the office of president of the republic other than Karamanlis" and that PASOK will gladly support his candidacy in the forthcoming election.

Recently, however, he has uttered a "phraseological" (only?) difference of opinion. In his interview last July, he said the following:

/That "he does not take back" anything he had to say about Karamanlis. But the decision (if PASOK would vote for him) belongs to the party./

The interpretations made at that time on the above statement and that continue to prevail today are as follows:

First of all, either Mr Papandreou "has diminished his enthusiasm" and has placed the matter up for the "approval" of the party decision so as to use it for negotiating purposes.

Secondly, or it is a question of a maneuver that aims at not giving pretexts --especially- to the party's leftist wing and thwarting any possible opposition by it against the decision made by him in the long run.

#### "Plans"

Existing information mention that the situation that has been created today within PASOK, with the central point being the election of a president, is as follows:

A small but powerful group with --almost-- extreme leftist tendencies is "completely" opposed to the opinion of PASOK's supporting the re-election of Karamanlis and is going even further by proposing that "PASOK pick its own president."

This view has not been accepted by either Papandreou or high-ranking party cadres. All of them know that such "plans" assuredly lead to a complete political impasse that, of course, would be paid for by PASOK because it cannot under any circumstances ensure a majority in the present Chamber of Deputies that "would elect a president."

And given the fact that this is real, then inevitably we are being led to premature elections in June. And it does not suit Mr Papandreou to seek such elections.

#### Left

According to experienced political observers, in the face of such a situation Mr Papandreou is obliged to play a "double game."

- On the one hand, he will make certain "leftist openings" to satisfy the leftist group. These openings will be made in both domestic and foreign matters.

- On the other hand, however, he himself alone will make the final decision on the presidency matter. And he will do so on the basis on how he views the situation.

Excellent sources of information relate that in this regard despite his opposition to the explicit statement made by the president in Salonica, Mr Papandreou still maintains the view that "PASOK must vote for Karamanlis."

#### The Key

Of course --and this must be said-- the idea that he himself would become president of the republic is both pleasing and dear to Mr And. Papandreou. But he has certainly realized that the matter cannot progress under the current situation. "The numbers just don't add up." And one more thing: He knows very well that if he were to leave the party's leadership, PASOK would be dissolved, something that

means that it will be deprived of the political underpinning, of the structure he built and that made it possible for him to leap into power.

On the basis of the above facts, political observers stress the following:

First of all, a key to developments continues to be Karamanlis. His decision on the presidency will set the schedule for all political developments of the electoral period we are entering in a month and a half.

Secondly, up to the time Karamanlis announces his decision in January or February, Mr Papandreou will be maneuvering and will be playing a many-sided game. He will manage to improve his position and his "portrait" through various initiatives (such as the one the day before yesterday at Elounda) and he will wait.

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## KARAMANLIS-PAPANDREOU RELATIONS FUEL COMMENTARY

## Harmonious Relationship Stressed

Athens ETHNOS in Greek 13 Nov 84 pp 1, 2

/Article by A. Kalamaras/

/Text/ Once again yesterday cooperation between the president of the republic and the prime minister found its physiological cadence. Messrs Karamanlis and A. Papandreou met yesterday morning to discuss all the important and urgent domestic and foreign issues in an atmosphere that dashed both the hopes of all those who prefer agitation and the fears of all those who had truly become concerned about the appearance of a breakdown in the relations between the president and prime minister.

In truth, either fabricated or products of misunderstanding, the existing "clouds" did not succeed in darkening yesterday's meeting and leaving room for the development of "dark games."

Perhaps longer than any previous one --except for the well-known luncheon at the Astir Hotel-- yesterday's meeting was open, substantive and constructive.

The above comes from responsible evaluations of reliable observers of both parties, while corresponding sources also point out the following:

- This atmosphere must be safeguarded from those who willingly or unwillingly promote dysfunction.

The above remark permits the certain anticipation that the underminers of normal relations between the president and prime minister will abandon their endeavors at least for the immediate future.

Yesterday's meeting lasted about an hour and a half during which the only thing not discussed was the electoral law issue.

## What Was Discussed

Also, not at all discussed were the issues reported in the press and what those published reports attributed to thoughts and proposals by both Mr Karamanlis and Mr Papandreou.

As it has been reliably made known, at the outset of the meeting, the prime minister briefed the president on the philosophy behind the budget as well as on government priorities and needs.

He also discussed with the president problems being created over the EEC's Mediterranean programs in conjunction with the issue of Spain's entry into the EEC.

It appears that these problems have created concerns over a French and Italian disavowal of their support for Spain's entry into the EEC. A "formula" is already being sought that would promote Mediterranean programs and also that would not hinder the expansion of the community.

Mr Papandreou will discuss this "formula" with Mr Craxi when he goes to Rome at the end of the month prior to his attending the summit meeting in Dublin.

At the same time, Mr Papandreou briefed Mr Karamanlis on his official visits to Sweden, Poland, Syria and Jordan and on his contacts and talks in New Delhi.

The following announcement was issued by the president's office on the meeting:

"President of the Republic Konstandinos Karamanlis today received Prime Minister A. Papandreou at a meeting during which the latter briefed the president on the results of his latest trips abroad as well as on the general situation of the country."

## Government Blamed

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 4 Nov 84 p 40

[Article by Panos Loukakos]

[Excerpts] Just 6 months prior to the presidential elections, a speech delivered by Mr K. Karamanlis in Salonica provoked a series of protests and some repercussions in the delicate balance that had been reestablished at the top levels of the state following the 1981 elections.

This speech contained quite a few political points most of which concerned the government:

- Internal divisions or experiments in our foreign relations are not permissible since serious dangers threaten us.
- We should stop talking about high bidders or low bidders, about subordinates or inflexible persons, one doubting the patriotism of the other.

- We must put an end to demagogic verbalism that characterizes our political life and we must stop using language that fires up divisions.

Three years now after the 1981 elections the balance of power in the state have been maintained because both the president and the prime minister worked together harmoniously despite the fact that they belong to different political parties. Not only have democratic institutions been strengthened by this cooperation but the two top state officials have proved that they exercise their duties in a responsible manner while the prime minister showed that he knows how to maintain the delicate balance that the proper functioning of the state requires.

In fact, going one step further, Mr Papandreou has revealed that he is for the re-election of Mr Karamanlis as president. He does not see anyone better to succeed him. In making these declarations the prime minister knew about what president he was talking:

He was talking about Mr Karamanlis who has repeatedly stated that he does not view his role as being merely a figurehead and that his sole mission as being the conferment of swords to military leaders.

He was talking about Mr Karamanlis who has political views that are different from those of the government and who, as he has shown in the past, does not hesitate in expressing indirectly his opposition.

Often recognizing Mr Karamanlis' positive advice in the management of the state, Mr Papandreou has recognized (and legalized) the role of the president of the republic that certainly differs from that of his predecessor, Mr K. Tsatsos. Not only the current president but the state benefits from this "recognition."

Also benefiting is PASOK that can more easily attract voters with Mr Karamanlis as president rather than someone who could possibly be elected with the votes of the governing party.

And since the next elections will be judged on margins that are close, the top level of the state could prove to be of determining importance.

The way things stand today there is some "duality" at the top of the state since both the president and prime minister are political personalities but with often different positions. This is the main stabilizing element of the past 3 years in the country, that element to which today's political stability is due. And in the final analysis, it is neither the president nor does it prevent the government from governing nor the prime minister from leading.

For these reasons, government officials who hastened to respond to Mr Karamanlis' speech in Salonica did not tender the most appropriate response. Perhaps they should be more careful these last few months.

election. Finally, they should realize that, beyond format and going into the essence, whatever Mr Karamanlis said in Salonica is accepted by a very large segment of the Greek people that includes many PASOK voters.

#### Responsibility Shared by Many

Athens ELEVTHEROTYPIA in Greek 12 Nov 84 p 9

/Article by Poth. Paraskevopoulos; words in slantlines printed in boldface/

/Excerpts/ Things must be called by their real name. Every expediency, every obfuscation or silence must be abandoned because the days to come will be difficult and we do not know what they have in store for us.

A movement to oppose both the president of the republic and the prime minister has been planned and nurtured recently in the political behind-the-scenes. Government officials have conveyed to newspapers "information" that President Karamanlis' allusions to experiments in our foreign policy have caused indignation in the government. The major government opposition party also hastened to scream about a disavowal of the prime minister's foreign policy by the president.

There could be a difference of opinion on certain domestic and foreign policy issues between President K. Karamanlis and Prime Minister A. Papandreou. It is also natural that this exists given the fact that they belong to different political worlds. At the same time, the country's constitution has bestowed on each of them different roles. Consequently, it is foolish to look for differences of opinion in every case for the purpose of political and partisan exploitation.

The difference of opinion between the president and prime minister does not at all disturb the democratic institutions of the country even when it is publicly made to appear as a theoretical difference. Democratic institutions will be disturbed from the moment when this difference should develop into a clash, into a rift.

And this could happen either through an action by the president to impose on the prime minister his view or to disapprove of the government's policy or if the prime minister were to seek through pressures and extortion to prevent the president from exercising his constitutional rights. /But no such intent has been manifested either by the president or the prime minister./

Then, why all this hue and cry about the presidency? And why does M. K. Mitsotakis turn a "deaf ear" when newspapers friendly to him portray Karamanlis as criticizing the government or "hauling" President Kyprianou "over the coals."

Things are beginning to become clear. Some in PASOK and the government do not want Karamanlis as president. Others, also in PASOK and the government, are trying to neutralize his possible opposition to an electoral system selected in a partisan manner.

There are some in ND who want and who seek a break between the president and prime minister in the hope that they would politically win over PASOK's conservative followers.

And also foreigners, those who would like to see the /destabilization/ of the Greek republic as a /first step/, would hope for the absence of Karamanlis from the office of president of the republic. The absence of a president with the uncontested authority of a Karamanlis in Greece and Europe would facilitate them a lot.

The game that is dangerous for democratic institutions and that is being played out with greater and greater intensity, as the date of the presidential election approaches, can be sought in all of the above reasons and in each element separately.

Coinciding in this game are political foolishness and irresponsibility, political adventurism and leftism, political expediency and the dark views of the "sly" ones. The only thing lacking is an attachment to open and pure democratic procedures in political fighting and the feeling of responsibility for the securing of democratic institutions as well as political and social normality. The "who is going to hit the other" is becoming the rule of political rivalry.

Those in PASOK who do not want Karamanlis as president --no question about this-- do not realize that with the shift by A. Papandreou to the presidency PASOK will be in danger of being dissolved. Unless they foresee in Andreas both a president of the republic and at the same time PASOK party leader. However, in this latter case the institution of a president of the republic will be shattered.

All those --again those in PASOK-- who reckon in forcing the president to consent to a "partisan electoral system" should hasten from this moment to state that they have no connection with the "Movement's proclamations" and the principle of popular sovereignty. Political amorality is not popular among the people today. Electoral intrigues did work out for rightist governments but for a government that promotes itself as being socialist such tactics would "boomerang."

All those in ND who have put their hopes into regaining power through some Karamanlis-Papandreou rift that is being promoted by them will be disappointed. A rift that is promoted by the Right turns the electorate to the Left.

There are, finally, ND's extreme right wing and those foreigners who want destabilization. For them no reply exists. They are the only ones to benefit from a rift between president and prime minister or the absence of Karamanlis from the presidency at this time. When his authority is a significantly dissuasive element in destabilization.

The institution of president of the republic is just 10 years old. Enough to prove its advantages and uniqueness in assuring proper democratic functioning, but not enough to have become rooted as a national democratic institution.

A joint presidential candidate, by all parties, for the next 5 years is perhaps the best solution for the institution today. And in this case too there can be no other today than K. Karamanlis.

## Political 'Myths' Refuted

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 11 Nov 84 p 48

/Article by Panos Loukakos; passages enclosed in slantlines printed in boldface/

/Excerpt/Only a few months separate us from certain critical political developments that will put a stamp on the political life of the country for the next 4 years. In the first part of February, the government will present its new electoral law to the Chamber of Deputies. In March, the situation around the election of the president of the republic will have been clarified. Also in March, there will be a determination as to whether the Chamber of Deputies will terminate its term prematurely or will go on until October./

The fact that we are at the threshold of determining developments explains to a certain extent the intensity and nervousness prevailing in public life today. It explains the obvious war that has broken out within the government and government opposition as well as the invisible war over the issue of the presidential election. All of this, of course, works in a way that tends toward disorientation. And all that is being said publicly tends more toward creating certain myths instead of enlightening things. At a time when enlightenment especially is needed and when cool logic especially is required to prevent irreparable errors. Let us therefore make a list of current myths so that we may be able to move forward toward the necessary enlightening stage.

First myth: /The government is seeking a just simple proportional electoral system that would produce strong governments but would also reflect in the Chamber of Deputies all the tendencies of the electorate. ND also want a just electoral system and a return to the preference cross. The KKE is calling for the simple proportional system "pure and unadulterated."/

Reality, however, is somewhat different. The government is seeking that electoral system that would be more to its advantage. And what would be more to its advantage is a form of reinforced proportional system that could be called "simple proportional system." All the preliminary plans that have already been drafted in the Ministry of Interior constitute, in essence, forms of the reinforced proportional system and one of these will in the long run constitute the new electoral law.

Whatever is of advantage to PASOK with regard to the electoral law is in the final analysis also of advantage to ND since this law will have benefits for both of these leading parties as is usually the case. For that reason ND too is making an issue of the electoral law perfunctorily. The same holds for Mr Mitsotakis who is making an issue over the return of the preference cross when the sole strength of the party he heads is the abolition of the electoral slate.

Of course, a major political issue will have ensued if PASOK were to have presented to the Chamber of Deputies an electoral law that was obviously "cut and sewn" to its own measurements. A law that in essence would be fraudulent electorally-speaking. However, this is not easy to accomplish not only because it would provoke a major political clash among the political parties. /But because, besides a clash among the political parties, President K. Karamanlis would not be disposed to ratify an electoral law that would obviously favor only PASOK. Under such conditions the government cannot "manufacture" an electoral law that would provoke the greatest political crisis of the past 10 years./



Finally, as far as the KKE is concerned, it too, in reality, desires a kind of simple proportional system that, nevertheless, would not be so proportional for the small parties, those under 5 percent of the electorate. This is so because the KKE has every reason not to want the KKE (Int.) represented in the Chamber of Deputies.

The government, therefore, is moving forward toward the establishment of the electoral law with the above facts and constraints. A law, called "simple proportional system," that would hide the reinforced proportional system. A reinforced proportional system that would put a premium on the two major parties.

Second myth: /The government does not believe that there is anyone other than Mr K. Karamanlis who is more capable for the office of president of the republic. Also, Mr Mitsotakis supports Mr Karamanlis' candidacy wholeheartedly./

The real fact is that a very strong anti-Karamanlis current prevails within PASOK today. It is also true that Prime Minister Papandreou is very often annoyed by the manner the president of the republic carries out his duties. If some (top level) PASOK cadres lack clear-sightedness, Mr Papandreou does not lack it. He knows very well that PASOK has no other choice than to support Mr Karamanlis' candidacy. For the following reasons:

- If Mr Karamanlis' candidacy is not supported by PASOK, the present Chamber of Deputies will be dissolved in April since it will not be able to elect a new president. In this case, ND will enter the elections with the slogan /"vote for us so they won't throw Karamanlis out."/

/PASOK, therefore, will not support Mr Karamanlis because it believes that there is no other person more qualified than he. Indeed, to the contrary, it would have gladly elected its own president of the republic if the correlation of forces had permitted it. But it does not. Whether it likes it or not./

Mr K. Mitsotakis is also engaging in myths when he says that he wholeheartedly hopes for a renewal of Mr Karamanlis' term of office. First of all, because, party-wise, the creation of a political crisis over the person of the president of the republic would have been to his interest. Secondly, because the mutual personal antipathy between the president and the ND leader is a known fact that is not easily hidden. Nevertheless, Mr Mitsotakis has no other choice than supporting Mr Karamanlis' candidacy. Even though his personal desires are altogether different.

Third myth: /Karamanlis will, at any rate, be the candidate./ And this fact too does not fully correspond to reality. Regardless of what happens the current president will not make an announcement until the last minute as to whether or not he will agree to renewing his mandate. This is certain. What is not certain is what his final decision will be.

Many reasons militate for his being a candidate again and the same number of other reasons militate against his being a candidate. It seems that Mr Karamanlis himself is looking at the overall problem in this light without his having come to definitive decisions. Regardless of what the two major parties do.

Fourth myth: /The government will complete its 4-year term./ But how will it do so when the smallest embroilment over the issue of the electoral law or the presidential election will lead to premature elections in March or April? And who can today predict that there will not be an embroilment? No one, except naive persons.

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POLITICAL

GREECE

KAPSIS CLAIMS COUNTRY IS 'DISINFORMATION' TARGET

Athens ELEVTHEROITYPIA in Greek 11 Oct 84 p 5

[Excerpt] "Today our country is one of the most important targets of disinformation," stated Deputy Minister of Foreign Affairs Giannis Kapsis yesterday in speaking to Greeks and foreign journalists about the role of the press in its access to the various peoples, at a dinner held by the Union of Foreign Correspondents.

Kapsis stressed that the policy of the government on Middle East questions "has been subjected to unbelievably harsh criticisms and 'distortions,'" and he emphasized that "whereas Greece has condemned repeatedly and unequivocally the invasion of Afghanistan, the entire world believes that we are supposed to be in favor of the invasion."

Kapsis spoke further about "a cacophony of criticisms about our attitude on the Polish question, an attitude which was the only politically correct, the only morally worthy, the only realistic stance; an attitude which also the other Europeans hastened to adopt a few weeks later, even though they did not admit this."

The deputy minister of foreign affairs also went on to another issue, saying:

"...But all the foreign correspondents accredited to serve here know about the distortion of information, which has taken on the dimensions of an international scandal, when there was an attempt to make Greece appear to be tolerant of the activity of the terrorists. And it is to the honor of the foreign correspondents that despite this well-set trap, they communicated also the 'other side' of the question."

12114

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## EASTERN BLOC VIEW OF PAPANDREOU STATEMENTS

Athens ANDI in Greek 12 Oct 84 pp 7-8

[Text] We do not know whether, as Fotilas asserts, Mr Papandreou has an irresistible attraction for the Third World, and so forth. But we know now that he has an irresistible attraction to "intelligence" aspects of major international issues, which he is especially careless about documenting.

Specifically, his statement to the Parliamentary Group of PASOK that the South Korean jumbo jet was carrying out an "espionage flight" must be regarded as most "unfortunate." It was on this also that the justification was based for the stance taken by PASOK, which did not want make the USSR responsible for this.

Of course, we do not need to remind the reader that all the experts' appraisals and assessments of international organizations have ruled out the possibility of an intelligence-gathering flight, a claim which is being revived only by propaganda from the East and by various researchers or articles appearing in the Western press.

In any case, it is incredible for the statements of the premier to be based on articles in newspapers--and for him to provide the "tripwire" mechanism of the State Department with the opportune material at a time when the debates on aid to Greece and Turkey are taking place in the Congress.

But the problem is found elsewhere. It is the case, of course, that these statements by Papandreou are not made for the sake of the "historical truth," but as a gesture towards the "other side"--that is, the Eastern Bloc.

This statement is meant to be his escort on going to the Warsaw of Jaruzelski and an overture to his trip to Moscow.

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## LIBYAN OFFICIAL COMMENTS ON RECENTLY SIGNED COOPERATION AGREEMENT

Athens TA NEA in Greek 12 Oct 84 p 5

[Article by K. Khardavellas]

[Text] A devastating answer to the assertions of the New Democracy--which sought the intervention of the EEC in its attempt to blackmail the Greek government--on the content of the recent Greek-Libyan agreement is given today via TA NEA by the diplomatic mission of Libya to Athens.

In his exclusive interview with TA NEA, the head of the people's office of the Libyan "Jamahiriya" in Athens, Mr (Ambndala Ambou Mekhari), reveals that:

The particulars which have been announced by the Greek government on the content of the agreement are absolutely true, and when very shortly the agreement which was signed between Premier Papandreou and the Libyan leader Muammar Qadhdhafi begins to be implemented, the benefits which will arise for Greece will be much greater than the \$2 billion which were announced.

There is no mystery and nothing secret in this agreement, and for reasons of diplomatic courtesy Libya left it up to the Greek side to make it known to the public. Now, after the commotion which the ND has caused, the text of the agreement is being dispatched from the supreme governmental organ of Libya (the General Committee of the Peoples' Councils) to its diplomatic mission in Athens, so as to be open to every interested party.

In characteristic remarks at the beginning of his interview, (Ambndala) stressed the following, in the presence also of the press attache of the Libyan diplomatic mission, (Muhammad Barani):

"An agreement written and signed by the leaders of the two countries does exist, and it does not say anything less--perhaps it says more--than what was announced by the alternate minister of national economy, K. Vaitzos. The act which was signed aims at improving the commercial balance of payments of the two countries. The agreement does not contain any secret condition or confidential text." Furthermore, (Ambndala) also stressed that:

"The only difference between the latest agreement between Greece and Libya--which was signed during the trip to Libya by Papandreou--and the previous agreements which have been signed between the two countries is that this latest agreement has a broader range and further promotes cooperation between the two countries."

To a question by TA NEA on the primacy which Libya has given to its agreement with Greece--given that in the past other European countries as well have been interested in concluding an agreement, without being successful--(Ambndala) stressed the following:

"Greece, a Mediterranean country and a member of the EEC, is the European country nearest to Libya. There is even a distant kinship among our peoples, and a traditional friendship. Thus it is natural for Greece to be the first country in Europe to be favored with a major agreement with Libya. Finally, I would say that it would be better if certain people were not in such a hurry to express an opinion and a viewpoint on the agreement which our two countries signed recently before the results of this agreement begin to appear, which will prove how beneficial it is for Greece."

#### Preferential Treatment

With yesterday's interview, the head of the diplomatic mission in Libya completely confirmed the details of the Greek-Libyan agreement, which state the following:

1. In its new 5-year development plan which will begin in 1985, Libya is including the construction of an aluminum plant. The alumina for the Libyan aluminum plant will be provided by the alumina plant which is being constructed in Greece within the framework of the well-known Greek-Soviet agreement. At the same time, there are prospects of participation of Greek companies in the construction of the plant as well.
2. Libya has already begun negotiations on the purchasing of a petrochemical complex which Greece has for sale.
3. There will be a multisided Greek participation in animal-feed production units and in flour mills which the Libyan government will create in Libya.
4. There will be investments of Libyan capital in Greece, either by the activation of a subsidiary of the ETVA [Hellenic Industrial Development Bank], or in other forms.
5. Greek participation is anticipated on infrastructure and land reclamation projects, airports, and roadbuilding--which the Libyan government is incorporating in its 5-year plan for 1985-1990.
6. The purely commercial relations between the two countries will be developed and expanded in terms of both products and new sectors.

12114

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## CENTRIST CLAIM OF NEW DEMOCRACY PARTY VIEWED

Athens MESIMVRINI in Greek 10 Oct 84 p 4

[Article by K. Kolmer]

[Excerpts] We are frequently asked by many of the officials of the New Democracy Party (ND) what the party needs to do to become...more centrist! And on the one hand we answer simply that if the party does not "feel" centrist, then it is extremely difficult for it to become so. Because in such a case, the persuasiveness of the ND as a centrist party will be unconvincing. On the other hand, if the ND acquires a centrist policy, nobody will be able to ascribe to it the apostolic statement that the spirit is willing but the flesh is weak. In other words, if a party is centrist it does not need to make any effort to acquire the reputation for being so.

On the other hand if it is not, a centrist facade will at least help the party in the upcoming elections, in which meanwhile it can aspire to forming a self-sufficient government only if it attracts the centrist voters who are leaving PASOK en masse.

But is the ND a centrist party? Here we should be honest and boldly say: No! The primary electoral clientele of the ND has been and remains the rightist voters. And it should not be ashamed of this. We have said this also before: For a person to be called a rightist in Greece is much better than to be a rightist, for example, in France. Because Greek rightists are those who have preserved our democracy in difficult times and who have developed our economy to the point where it finds itself today, such that it is now regarded as in a decent condition and equal in status (?) to the economies of the European Community. On the other hand, the Greek leftists bear the burden of colossal mistakes made during the past and now are being accountably instrumental in the disorganization of the economy, in the disintegration of education, and in the disorientation of the country's foreign policy--is, they are depriving the country of its basic points of support!

Thus it is not only inconsistent but also harmful for the ND to try to disavow its rightist character. Because it will lose its disillusioned voters, to the benefit of the extreme Right, which is accountable equally with the Left for the damage to the nation and for missed profits. Of

course, it is a different matter for the ND to be able attract the centrist voters, the majority of whom are conservative, by showing an assiduous spirit, a modern and liberal attitude--not a statist one--and a willingness for change in personalities and ideas.

#### Liberal Spirit

Because the centrist voters mainly yearn for this: Order, a modern and liberal spirit, and above all an effective administration--that is, a state which can provide speedily, fairly, and cheaply the collective benefits (defense, justice, social protection, basic education, protection of the environment, decentralization).

The ND and its self-styled adherents must win over the centrist voters, who although conservative are not adherents from ideology or from interest. Thus this is the sense in which the new leadership of the ND should repudiate the mistakes of the past (rent controls, nationalizations, formations of "public" enterprises of the AGREX [Greek Agricultural Products Export Company] type, and so forth) and proceed to a bold and clear program of liberalization which can begin with the banking system and extend even to bananas (however much to the detriment of the Cretan growers!). Even at the risk of apparently damaging organized interests (banking, industrialists, and so forth).\*\*

But above all the opening up of the ND to the centrists must be based on new faces, who are upright and able, rather than corrupt and notoriously unfit. And we are not speaking only about the deputies, but also about the union leaders, the heads of the nomarchy committees--even about the "active" officers of the party.

Because the ND must show that it is a vigorously alive party which can express the unfulfilled hopes of the centrist voters--however much it remains unalterably rightist.

\*\*The essential decontrolling of interest rates will upset the banking officials especially, because it will necessarily sound the alarm to the industrialists, assuming that prices are decontrolled as well--as they should be.

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CSO: 3521/42

## OCTOBER POLL RESULTS ON PRESIDENTIAL CANDIDATES

Lisbon O JORNAL in Portuguese 1-8 Nov 84 p 4

[Text] Lurdes Pintasilgo has regained 1 percentage point since her candidacy for president was announced by the press as being "irreversible." The former prime minister has now recorded her first percentage increase since June, when she reached her highest point in people's voting intentions.

For his part, Mario Soares has regained two points and is back to his highest previous score of 13 percent (obtained in January and April). This slightly reduces the gap separating him from Pintasilgo. Freitas do Amaral is also up by 2 percent, even though he announced some time ago that he would not be a candidate in the 1985 presidential election.

While Mota Amaral remains steady at 9 percent, Firmino Miguel is up by 2 percent, thus reducing from 4 to 2 percent the distance separating him from the Azorean leader.

On the basis of spontaneous answers, the situation changes slightly. Although down by 1 percent, a possible "candidate supported by Eanes" (sometimes General Ramalho Eanes himself is mentioned) is still the one evoking the largest number of favorable answers. Following him (with exactly half as many mentioning each of them) are Mario Soares and Lurdes Pintasilgo, each of whom has regained 2 percent.

Freitas do Amaral, the former centrist leader, was mentioned by 6 percent for an increase of 3 percent, while Mota Amaral continued his downward trend. The other candidates mentioned by voters obtained less than 2 percent each.

The percentage of voters saying they do not intend to vote in the next presidential election is up by 2 percent and now stands at 17 percent. On the other hand, those not responding or having no opinion were fewer in number, having declined from 44 to 38 percent.

Maria de Lurdes Pintasilgo is probably the candidate with the largest number of supporters in the APU [United People's Alliance] (59 percent) and the PS [Socialist Party] (31 percent). Soares, who is relegated by Socialist voters to second place (28 percent), is fourth on the list of candidates preferred by the PSD [Social Democratic Party], behind Mota Amaral (21 percent), Freitas do Amaral

Table 1: Candidates Mentioned Spontaneously  
(vertical percentages)

Spontaneous choices	June	July	August	September	October
Candidate supported by Eanes/Eanes <sup>1</sup>	9	9	14	15	14
Lurdes Pintasilgo	11	10	6	5	7
Mario Soares	6	6	5	5	7
Freitas do Amaral	7	6	4	3	6
Mota Amaral	4	5	4	4	3
Others <sup>2</sup>	8	11	11	9	10
Do not intend to vote	10	13	14	15	17
No response or no opinion	45	40	42	44	38

1. Many people mentioned Eanes himself, since some are unaware that it is impossible for him to run again.
2. Each with an average of less than 2 percent (Cunhal, Ouelo, Melo Egidio, Mota Pinto, Zenha, Pires Ve'oso, Garcia dos Santos, and others).

Table 2: Responses to Suggested Candidates  
(vertical percentages)

Suggested choices	June	July	August	September	October
Those mentioning a candidate	67	68	62	61	67
Lurdes Pintasilgo	24	23	19	20	21
Mario Soares	11	12	11	11	13
Freitas do Amaral	13	13	11	10	12
Mota Amaral	11	10	10	9	9
Firmino Miguel	4	4	4	5	7
Salgado Zenha	2	3	3	2	1
Mota Pinto	2	1	2	3	3
Garcia dos Santos	1	1	1	1	1
Almeida e Costa	0	0	0	0	0
Do not intend to vote	14	15	18	18	16
No response or no opinion			[copy not legible]		

(19 percent), and Firmino Miguel (17 percent). Strano [Miguel] is in second place among APU voters (5 percent) [Social Democratic Center Party] voters (6 percent).

The centrists continue to give first place to Freitas. Among those who voted for Eanes, the preference is for Soares (16 percent), while Firmino Miguel scored 7 percent. Freitas do Amaral and less than Mota Amaral.

In the case of the youngest voters--those between 18 and 24 years of age, the former centrist leader is preferred (19 percent), followed by Soares (13 percent). Among voters between 25 and 34 years of age, the most often is Mario Soares (20 percent), followed by Soares (16 percent) and less. In the remaining age groups (35 to 44, 45 and over), Pintasilgo holds first place, followed by Mota Amaral and Mario Soares.

Trends in Voter Preferences  
(in percentages)

	Lardes Pintasilgo	Mario Soares	Freitas do Amaral
1984			
June	24	11	13
July	23	12	13
August	19	11	11
September	20	11	10
October	21	13	12

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In this regard, there is one doubt that should be cleared up at the outset: Is the discord between MDP and PCP real or pretended?

In other words, are PCP and MDP in fact disagreeing, or are they only pretending to be, following an arrangement that was previously conspired between the two?

The hypothesis would be as follows: Cunhal's party, unable at present to stop assuming a hard line to the satisfaction of its members, but on the other hand afraid of being left soon in a state of complete isolation, may have left to MDP the task of appearing as a party that is "open and holding dialogue," and capable at any time of establishing the bridge between the Communists and the political forces.

In short: the "misunderstanding" between the MDP and PCP leaders may not be anything more than a farce designed to keep doors open for the Communist Party.

However, this hypothesis seems fanciful, and there are good reasons for thinking that real differences between the two parties exist.

This is the question: At a time when much is changing in the Portuguese left, with the advent of an independent presidential candidate (Lourdes Pintasilgo) and the possibility of the creation in the near future of a new party in this camp (the fascist party), it is quite natural that MDP should not want to continue to appear as a mere appendage of the Communist Party.

MDP might be interested in having its hands free, in case the opportunity should arise, to participate by itself (and not through an intermediary party) in the complicated negotiations that will necessarily have to take place within the left over the next few months.

It should be noted that, for the first time since 1975, the Portuguese Democratic Movement has a chance to dream of other alliances, and not just one with PCP; and its leaders may not want to let the opportunity escape. However, for this purpose it will have to prove by deeds that it has a will of its own and is not, as has been claimed, a disguised cell of the Portuguese Communist Party, and that is exactly what it is doing.

When the issue is put thusly, it will be interesting to learn now what the reaction from the Communists will be to this desire for independence on the part of its comrades in the alliance.

Essentially, the PCP leaders have to choose one of two positions: either to tolerate it, or to consider it unacceptable and decide on the end of APU.

Both positions will have their prices.

If PCP accepts the principle that MDP can hold a position different from its own on fundamental issues, it is starting a serious precedent.



In fact, the Communist members have been accustomed to having a clearcut leadership, receiving exact instructions and not hearing dissenting statements in their camp; now when there start to appear among their friends individuals with opinions contrary to those of their leaders, confusion will inevitably occur.

By agreeing that MDP may have an opinion different from its own on essential issues, PCP would be accepting heterodoxy in its camp; something that is inconceivable to the Portuguese Communists.

The second possibility is the breakup of APU.

It may be claimed that this event, should it occur, would have few consequences for the Portuguese Communist Party, inasmuch as MDP's contribution of votes to APU is insignificant.

The matter should not be stated thusly.

It should be remembered that it was PCP which exerted the most force to prevent its name and initials from appearing on the voting ballots, but rather the initials and name of the United People's Alliance.

Whether or not this has brought them any advantages only the Communists could say. In matters of this sort, however, they are not in the habit of deceiving themselves.

#### APU Vitality

Lisbon SEMANARIO in Portuguese 10 Nov 84 p 8

[Article by Jose Miguel Judice]

[Text] The controversy between PCP and MDP/CDE [Portuguese Democratic Movement/Democratic Electoral Commission], which has helped Alvaro Cunhal gain some free air time on television, looks like a scene from the "Cuckold's Kingdom."\* The Siamese twins who have never had an ostensible disagreement during the 10 years that we have had of the present regime are now emerging in the eyes of the public as two brothers who are virtually estranged. It is obvious that both uphold the fall of the government and legislative elections before the presidential ones; it is obvious that both are agreed in the analysis that they have made of the country's socioeconomic situation (and in this respect the agreement is far more extensive); it is obvious that the unity in the concrete struggles, as in the context of CGTP [General Federation of Portuguese Workers], is continuing without any divisions. But the two coalition parties have disclosed an apparent tactical difference of unquestionable significance. According to PCP, the war with the government must be total; according to MDP/CDE, the war should assume the features of peaceful coexistence, in the sense that there should be conversation with the government, and with the prime minister in particular.

\*["Reino do Faz-de-Conta" in Portuguese]

These are, moreover, the facts concerning which there has been writing on paper. Now, it is important to try to understand what they mean. Several hypotheses to explain them could be put forth; and in my opinion the truly important ones are limited to three. The first hypothesis is that this difference marks the beginning of a breakup of APU, manifesting a strategic difference after all. The second hypothesis is that we are confronting a mere maneuver aimed at intoxicating and confusing, scientifically planned between the top-ranking leaders of the two parties who, therefore, are in complete agreement and only pretending not to be because they think that this pretense may have advantages. The third hypothesis would be that the difference is real and significant, hence not feigned, but one that has been fittingly injected into a total unity of strategic views; and, therefore, APU, by acting in this way, has shown that it is far stronger than might be thought.

It is my view that the third hypothesis is most correct and that it is proper to meditate on it in particular. The reason is simple: The first hypothesis is idealistic and overlooks, on the one hand, the fact that PCP actually controls MDP/CDE (in the manner in which it does so in the socialist countries in which a mask of party pluralism still remains), and, on the other, that no strategic difference exists between the two parties at this juncture. Not to mention other reasons, such as the fear of mutual risks or of old personal complicities. The second hypothesis is also idealistic, although for opposite reasons (just as the Communist cartoons all over the world showing capitalists with a top hat and a cigar are idealistic). It is idealism to depict Communists as dense and remote-controlled, and as automatons who only carry out orders. The reality is not that simple and hence the hypothesis of differences is something that is always possible; added to the fact that, for the Communists, the worst mistake would be to spread confusion among the masses per se, with pretense and maneuvers that are sophisticated but unnecessary.

To understand with any accuracy my option for the third hypothesis that I put forth, it would be feasible to note that the autonomy of MDP/CDE is more than a smokescreen. By this I mean that those who lack the spiritual stamina to accept the communist discipline (and therefore always have a certain guilt complex regarding the PCP comrades) and those who are in agreement with PCP on the negative side but not on the positive one (inasmuch as they do not subscribe in the philosophical realm or in the political realm to the final view of communism or accept the Soviet Union's leading role as the fatherland of socialism) tend to take a position in MDP/CDE.

On the other hand, it must be understood that if internal democracy is gaged by political participation and by the existence of channels of communication between the rank and file and the top echelon, then the APU parties are perhaps the most democratic in our country (although internal democracy requires the atmosphere of internal liberty and, where that is concerned....). This means that the views expressed by the rank and file of the two parties (which do not always coincide) technically have chances of reaching the top echelons, in terms that allow for a gearing of the main decision-making process to the fluctuations of the real situation. And what must be happening is that the signals coming from each party's rank and file are not exactly the same.

## POLL REQUESTED BY SOARES SHOWS HIM IN FOURTH PLACE

Lisbon O JORNAL in Portuguese 16-22 Nov 84 p 3

[Text] According to a poll on the presidential elections, which reportedly was ordered by collaborators of the prime minister himself, Mario Soares is losing. Maria de Lourdes Pintasilgo is in front.

In the terms of a public opinion poll of 2,400 interviewees (a larger sample than usual), Lourdes Pintasilgo has a preferential rating of 22 percent, while Mario Soares had 9 percent. Ahead of him are Freitas do Amaral and Mota Amaral, with 11 and 10 percent, respectively.

However, a source close to Mario Soares denied that the socialist secretary general is in fourth place in any poll ordered by him. An unofficial poll puts him in second place, close to the figures in the last Marktest/O JORNAL poll.

In any case, Soares' popularity is higher than that of the PS [Socialist Party], which is on the decline.

In the terms of the poll of 2,400 interviewees, 59 percent of the replies indicate as desirable that the candidate be detached from the political parties.

Eighty-two percent consider the characteristic of "honesty" important. Seventeen percent believe that Soares is honest. As for firmness, 52 percent say that it is an important factor and 15 percent believe that Soares has that quality. Only 32 percent believe political experience is important and 62 percent believe that the current prime minister falls into that category. Finally, only 10 percent believe that it is good "to have friends abroad." Sixty-three percent replied that that is the case of the prime minister.

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## PSD ALTERNATIVES, FUTURE OF COALITION VIEWED

Liabon O JORNAL in Portuguese 16-22 Nov 84 p 7

[Article by Jose Carlos de Vasconcelos]

[Excerpts] The erosion of the country's situation is intensifying in an ever more disquieting manner. This government succeeded--as was essential in the immediate term--in reducing our foreign debt with the various unpopular restrictions and measures which that required, and it would be unfair and demagogic to forget it. But it did not succeed--as was even more essential--in minimally relaunching the economy and restoring confidence.

Economic policy was excessively restrictive and the medicine--that has been said over and over again--was used in such a strong dose that it may be worse than the ailment itself...Above all, a government that at the outset was in a better position than any other to operate a real change in the country, considering the strong majority it had, did not do so. On the contrary, at various important levels, no changes of any kind were observed and even fewer improvements, despite the "positive grade" that several ministries merit.

### Three Possibilities

The possible end of this government does not mean that it is not possible to form another--this indeed the last one--out of the Socialist Party/Social Democratic Party (PS/PSD) coalition. In fact, if the departure of Mota Pinto is consummated--which Soares will still try to help prevent--the PSD could possibly pursue one of three courses:

- a) Resolve to leave the government, making an agreement of simple parliamentary coincidence with the PS which, I believe, for various reasons, Mario Soares will not be able or willing to accept.
- b) Form some sort of committee, a new troika or something similar, with Rui Machete at its head, the latter becoming the No 1 "transient," assuming the duties of vice prime minister.
- c) Actually proceed to a break, bringing about new elections.

This last possibility is not desirable for, or desired by, either of the two parties. Although they complain a lot about the erosion of power, and with some reason, I believe that the PS and the PSD will prefer to remain in it, rather than abandon it. I believe so for some reasons of a "national" nature, but not only that...Above all, although they may not say so, both parties will be afraid of the already announced and confirmed appearance of the new party, commonly termed "Eanist." This deterrent by itself may be a determining factor for the two coalition partners to come to an understanding.

However, it is interesting to underscore that--if I am not mistaken--it would be the PSD that would lose the least in new elections, and the polls confirm it. And not so much because it has one foot in the government and the other out, as the socialists charge, but rather because there is not one but several PSD's; furthermore, with many good people (especially at the grass-roots and local government level) and many others, not so good--to avoid using a different term.

While this fact has evident negative consequences at the level of political stability, it has a great advantage for the PSD. Just as in the last elections, it presented itself as if it had little to do with the Democratic Alliance (AD), and with a new leader (Mota Pinto) instead of the previous one (Balsemao), at the next elections, it will present itself in a similar fashion and with another new leader instead of the present one! In this way, and together with the many strong personalities it has at the local level (and who at this same level are the real image of the party...), the PSD withstands these clashes much better than the PS, all of it reflected and personalized in Soares.

Thus, if Mota Pinto's departure should occur in the immediate term, which--it is emphasized--perhaps may not yet be the most likely thing, the possibility b) with Machete (or someone similar) as vice prime minister seems to me to be the most natural one. In this case, it remains to be seen if Soares would want to continue as prime minister or have another man (Almeida Santos?) take his place.

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## POLL ON FUTURE REVEALS QUALIFIED PESSIMISM

Lisbon O JORNAL in Portuguese 16-22 Nov 84 p 14

[Text] What will things be like and how will Portugal be 10 years from now? The same. That reply can be inferred from a poll conducted by Marktest for O JORNAL. And, although the majority of the Portuguese believe that in that approaching year of 1994 we will have a highway to Oporto and that we will be full members of the EEC, they are particularly unbelieving about the country's economic, social and scientific progress.

However, that lack of optimism has nothing to do with an undefined perspective of the political regime. More than 50 percent believe that by 1994, democracy will have been consolidated and that the danger of dictatorships (of the left or the right) will not present itself. Despite that, 21 percent believe that by that time a dictatorship of the right will already have been installed, while 7 percent believes that the dictatorship installed will be of the left. In any case, it is worth consideration that about 28 percent of the interviewees believe that the next 10 years will be a move toward dictatorship.

Those who most fear the dictatorship of the right are between 45 and 54 years of age. It is also in that age bracket and among voters over 55 years of age that is found less hope of democratic stabilization. On the other hand, the younger people, those between 18 and 35 years of age, are the ones who most believe in that stabilization.

Strangely enough, it is among the Social Democratic Center Party (CDS) that belief in democratic stability is the greatest. Among United People's Alliance (APU) voters the dictatorship of the right is feared the most and in the Social Democratic Party (PSD), the dictatorship of the left (which only 0.2 percent of the APU voters mention as probable). However, in the midst of all the party specters, the majority believes in the survival of freedom.

Classes in October, Never

But while the response is positive as regards the stability of political life, there is a general lack of belief in some progress of an economic, social or scientific nature.



It is true that 73 percent of the voters believe that the Lisbon-Oporto highway will already have been completed 10 years from now; or that 63 percent believe that our country will already be in the EEC. But the majority stubbornly refuse to believe that classes will begin 100 percent in the month of October. And they do so with the weight of a majority of 51 percent.

And to the question: Do you believe that 10 years from now, the unemployment rate will have been reduced to the minimum? the "no" is even more resounding, by 71 percent of the interviewees. The same percentage of interviewees does not believe that social welfare will be free and general.

The evolution of the financial situation is viewed with great mistrust. So much so that 65 percent reveal that they do not believe it will be good. And even the hope of finding oil is weak--only 24 percent have that hope, against 68 percent who do not even believe in a hope. But while there may not be oil, there will be pollution--for almost 80 percent, that is a problem that will not find a solution in the next decade.

#### No Portuguese in the American Shuttle

Emigration to the former colonies also seems not to be a prospect for the majority of the Portuguese. One million compatriots returning to Africa? Fifty-eight percent do not believe so.

Nuclear plants, a question considered the least important by the interviewees is a topic that divided those polled--45 percent do not believe they will exist in 1994, against 42 percent who believe it is probable.

According to what 49 percent of the interviewees believe (against 40 percent) unrestricted and completely legalized abortion will be a reality in 1994. However, the existence in Portugal of equipment capable of curing cancer--which is considered the most important question by the interviewees--is not believed by 49 percent of those polled.

Despite the belief in the Lisbon-Oporto highway, the majority does not believe in the railroad connection over the Tagus through a second bridge linking the south to Lisbon. Similarly, they believe that the electric automobile will not be in general use and also believe that it is very unlikely that a Portuguese scientist will participate in a special mission of the American shuttle.

#### The Political Situation in 1994

	<u>Total</u>	<u>PS</u>	<u>PSD</u>	<u>APU</u>	<u>CDS</u>
Democracy consolidated	51	51	56	39	64
Dictatorship of the right	21	19	23	34	17
Dictatorship of the left	7	8	11	0	7

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## BRIEFS

SOVIET OFFICER REQUESTS ASYLUM--The Soviet citizen who asked for political asylum on Saturday at a Public Security Police (PSP) station in Lisbon is Alexander Usmanov, 25 years of age, a merchant marine officer, the Portuguese News Agency (ANOP) learned from an official source. The same informant revealed that he is an engineer officer from the freighter "Kalinigra Dskiy Ibereg," which docked on Saturday at Rocha Conde of Obidos and left the following day. Alexander Usmanov went over to the Alien Service on Monday where he was given a hearing and requested asylum, citing "political reasons," one of the clauses embodied in Decree-Law 38/80 that governs the requests of political asylees. The respective case is being prepared, with the authorities having a period of 60 days to forward it to the Consultative Commission for Refugees, which will issue an opinion. The commission is comprised of members of the Ministries of Defense, Internal Administration, Foreign Affairs, Justice, and Labor and Social Affairs; it has 30 days for a final decision. [Text] [Lisbon O DIA in Portuguese 15 Nov 84 p 20] 8711

PSD SECRETARY'S 'PEACEFUL' RESIGNATION--The Secretary General of the PSD [Social Democratic Party], Antunes da Silva, presented his resignation to Mota Pinto yesterday. That information was provided by a social democratic source and it is worth pointing out that the resignation is attributed to the fact that the chairman of the political committee has not responded to a certain number of demands made by that leader. These demands are connected with definition of the duties of some party officials and aides named directly by Mota Pinto. In a letter addressed to the social democratic leader, Antunes da Silva places his position at the former's disposal and asks the president of the PSD to convene a meeting of the National Council at his convenience, to deal with the replacement of the secretary general. Thus, the possibility that had been mentioned that the matter might be dealt with at the meeting of the National Council, scheduled to be held in Viseu on the 24th and 25th, has been precluded. Antunes da Silva had various possibilities of presenting his resignation, the most "radical" one being a resignation pure and simple because it carried with it embarrassing bureaucratic problems. He opted for the most "peaceful" solution, that of the letter to Mota Pinto because he considered it to be the one that least affects the party. [Text] [Lisbon O DIA in Portuguese 16 Nov 84 p 13] 8711

USSR TRADE DELEGATION VISIT--An official Soviet mission headed by the minister of domestic trade of Byelorussia is in Portugal for a 1-week visit. This mission also includes a high-ranking official of the Department of Importation of Consumer Goods From West European Countries of the USSR Ministry of Foreign Trade. At the present time, the Soviet mission is in the northern part of the country, visiting Portex-Lar and various finished goods and textiles companies, and will return to Lisbon on the 19th. In this city, it will be received by the secretary of state for foreign trade, Raquel Ferreira, and will hold meetings with the president of the Foreign Trade Institute (ICEP). It is noted that textiles occupied second place in Portuguese exports to the USSR in the first quarter of this year. Meanwhile, the export of finished goods to that country represented almost 300,000 contos in 1983. [Text] [Lisbon TEMPO in Portuguese 16 Nov 84 p 17] 8711

CSO: 3542/54

## MORAN-HOWE TALKS SEEK MODIFIED GIBRALTAR

## Transit Restrictions May Be Lifted

Madrid ABC in Spanish 6 Nov 84 p 23

[Article: "Gibraltar: Barriers Could Be Open by January"]

[Text] According to Spanish sources, transit restrictions between Spain and Gibraltar could be lifted by January 1985. This information is contained in the provisions of a new declaration now being finalized by the two countries' foreign affairs ministers, Fernando Moran and Geoffrey Howe. The declaration could be signed by 28 November in Brussels, where both ministers will be attending a meeting of the EEC.

The new declaration envisions the lifting of restrictions still in effect between Spain and the "Rock," since it would entail implementing the European Economic Community's regulations 1 year before Spain actually joins the Common Market.

## No Right to Employment

The sources we consulted termed erroneous reports that appeared in the British press which spoke of the possibility of freedom for Spaniards to live and work in Gibraltar. The new Hispano-British document merely envisions immediate recognition of the Spaniards' right to settle and purchase real estate in Gibraltar, but not the right to work. The latter will conform to guidelines set for the transitional period by the EEC, which establish significant restrictions.

The new document does not, in principle, broach the matter of sovereignty. Rather, it confines itself to adapting relations concerning Gibraltar to the EEC's regulations, to which Spain will be subject once it actually joins the EEC.

The contents of the declaration have been criticized by Senator Javier Ruperez, vice president of the PDP [People's Democratic Party], which has been informed about its possible provisions, more through British than Spanish sources.

"The socialists have negotiated badly and late," he said. "Because of technical questions, they had no choice but to do what they are going to do now. But there is no mention of sovereignty." Ruperez accuses the government of not keeping the political parties and the Spanish people informed.

The Foreign Affairs Ministry claims that the new Hispano-British document might be considered a reformulation of the Declaration of Lisbon, which was signed on 10 April 1980 by Lord Carrington and Marcelino Oreja, the ministers of foreign affairs at that time. The two officials currently represent European political interests before NATO and the Council of The European Assembly, respectively.

#### Positive Reaction

The announcement of the changes regarding Gibraltar has met with positive reaction in the El Campo area, according to a report from our correspondent, Jose Vallecillo. Linea de la Concepcion Mayor Antonio Diaz Lara expressed his satisfaction with the possible recognition of Spaniards' freedom to work on the Rock, although he remarked that jobs are not plentiful and that the current Moroccan labor force working in place of a Spanish one was encountering rejection among union circles. Algeciras Mayor Ernesto Delgado Lobato considered it positive for "understanding" between the two communities, especially in educational relations: the young people of Gibraltar could pursue university studies in the area. Also noteworthy is the possibility that Spaniards may use the Gibraltar airport. On the part of Gibraltar's citizens, it is emphasized that "there has been strong resistance" from the colony.

#### 'Rock' Poses EEC Question

Madrid ABC in Spanish 6 Nov 84 p 23

[Article by Alfonso Barra: "London Is Unwilling To Discuss Sovereignty"]

[Text] A flurry of reports broadcast by the British media insist that the citizens of Gibraltar--reluctantly, due to the scarcity of jobs--are agreeing to allow Spaniards to live and work there. The phenomenon is explained as the recognition of a package of concessions to Spain. No mention is made of sovereignty at all. Britain, for its part, has reiterated the need for conformance to the standards of the EEC.

The true fact of the colony's situation is that Spain's entry into the EEC poses very complex technical problems. Because it is a dependency of the British Crown, Gibraltar cannot be made an exception. The same thing is happening with France, Luxembourg and Belgium.

Officials from Madrid and London are meeting on a regular basis, approximately every 2 weeks, to adapt the set of rules governing Hispano-Gibraltar relations to the regulations imposed by the Common Market.

There is no sign that those simple working sessions are serving as a pretext for Gibraltar to grant "concessions." Nor is Spain, using the method of give and take, trying to cut off its neighbors in the colony by strangulation.

The only thing being negotiated is the process of Spain and Gibraltar's adaptation to the Common Market regulations. Until London agrees to open bilateral talks with the matter of sovereignty on the table, there will be no changes in the status quo. Implementing Common Market regulations in La Linea and Gibraltar may eliminate British nonsense about the impossibility of discussing sovereignty with the gate to La Linea only partially open.

Minister Moran and Foreign Office Secretary, Sir Geoffrey Howe, have repeatedly stated that some particular diplomatic event has prompted them to hold bilateral talks. It is hoped that this same fortune will be repeated this month in the Belgian capital.

According to versions of those talks--if not negotiations--the two politicians analyzed bilateral issues, especially Spain's admittance into the Common Market. The question of Gibraltar was also raised, but as yet there has been no "smoke signal" to announce that London accepts the possibility of seriously discussing the sovereignty of the colony.

#### Colonial Problem

Margaret Thatcher's statements about the colonial problem are not very promising, and Sir Geoffrey tirelessly repeats that Hong Kong's decolonization should not be taken as a precedent for Gibraltar. The argument is that Great Britain has de facto possession of the territory it wrested from Andalusia and that the British who live there want it to be British. Behind the scenes, they are bolstering the services of the Gibraltar base to NATO.

It is no secret that representatives of the main powers of Gibraltar recently went to Brussels to make exaggerated requests of the Common Market Commission. Such audacious solicitation is not appreciated, even in London.

Thus there is nothing that would indicate earthshaking news. The Foreign Office assures that, as of now, no technical meetings are being held to study the process of adaptation. Until its sovereignty is actually discussed, Gibraltar will continue to be a colony in the national territory of a country which, like Great Britain, is a member of the EEC. A reality that is neither very democratic nor very progressive.

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## NATO APPROVAL OF HUMAN RIGHTS REPORT; TURKISH REACTION

Istanbul CUMHURIYET in Turkish 14 Nov 84 pp 1,8

[Text] At the commission session yesterday of the North Atlantic Assembly (a body consisting of NATO parliamentarians) which has been sitting since the beginning of the week in Brussels, the report concerning human rights in Turkey was granted approval. During the voting which took place at the special commission the Turkish members voted against. However, the report prepared by the Belgian parliamentarian Franz Vangronsveld (who declares that "in Turkey, it is an incontrovertible fact that there are minorities among the Moslems") has been approved by a vote of 16 against 3.

During the deliberations of the commission yesterday (in which Greek PASOK member Kutzikas and German Green Party member Rents took part) a section of the paragraph (from the article nine in the report) was changed in line with the wishes of French and Greek members of the commission. The paragraph had read: "Under the economic conditions currently prevailing in Turkey, this country cannot be expected to establish a Westminster-type democracy." In addition, the section which read: "One cannot draw an analogy between Turkey and Poland" was taken out of the text of the report, again by the wishes of Greek and French parliamentarians.

The section of the report (titled "Human Rights in Turkey") which stated that minorities within the Islamic faith do exist in Turkey met with opposition from the Turkish members. Taking the floor, Motherland Party member Ogan Soysal stated: "According to the Lausanne Treaty there are no minorities of the Islamic faith in Turkey. The rights of the non-Moslem minorities, however, have been guaranteed under this treaty, and as mentioned in the report, there is no pressure on them whatsoever." However, despite the explanations of the Turkish member, the report prepared by the Belgian parliamentarian was adopted by the commission with two amendments. The text will be ratified at the General Council of the North Atlantic Assembly to be held on Thursday.

At the Political Commission meeting of the North Atlantic Assembly, Dutch parliamentarian Ton Frinking's report analyzing Turco-Greek relations was discussed to which Danish socialist parliamentarian Budtz offered a harsh criticism. Danish and Greek delegates argued that democracy does not exist

in Turkey in a genuine sense, and that human rights have been trampled upon.

French UDF member Bouvard demanded that Turkey's strategic importance be considered and that allegations concerning human rights be handled with circumspection, commenting: "I have also been in Turkey. There is, in the country, a longstanding resolve to make the transition to democracy."

Speaking for the Turkish delegation, PP member Ibrahim Ural emphatically pointed out that the criticisms had been unfair, and apart from a few aspects the report was received positively by Turkey.

Stating that Turkey is for peace and good neighborly relations with Greece, Ural said he was pleased to see the adoption of the proposal, previously submitted by the Turkish delegation, which envisions fighting against international terrorism within the NATO framework as well.

Responding to the statements of the German parliamentarian concerning the military operation in southeastern Turkey, Ural said: "This operation is conducted against terrorists. The terrorists who are trained in three different countries, one of which happens to be a member of the alliance, are engaged in operations directed against the territorial integrity of Turkey. Our government cannot possibly remain indifferent to such goings on."

The report writer Ton Frinking reiterated that Turkey is undergoing rapid transition to democracy. The report titled "The Situation on the Southern Flank" will be re-written, and be submitted to the May session of the North Atlantic Assembly.

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## REJECTION OF FIRST INTERPOLATION MOTION AGAINST OZAL

Istanbul CUMHURİYET in Turkish 14 Nov 84 pp 1,8

[Text] The interpolation motion presented by the NDP member from Manisa Mustafa Izci and his 23 colleagues against Prime Minister Turgut Ozal on grounds that he had "allowed illegal activities to take place" was rejected at the General Assembly, to be excluded from the parliamentary agenda, by a vote of 194 against 147. While PP and NDP used their votes in support of the motion, the independents (Bulend Ulusu, Haluk Bayulken, Cafer Tayyar Sadiklar, Sabahattin Ozbek and Nazmi Onder) abstained, with the exception of Rustu Sardag. Independent Sardag voted for the motion.

16 Motherland Party (MP) members, including Vural Arikan and Turkan Arikan did not attend the voting session. The non-voting MP members are as follows:

Fecri Alpaslan, Ogan Soysal, Huseyin Sen, Fahir Sabunis, Ilker Tuncay, Turkan Arikan, Vural Arikan, Alaaddin Kisakurek, Mekin Sarioglu, Birsen Sonmez, Engin Cansizoglu, Abdulhalim Aras, Ercument Konukman, Ferruh Ilter, Ali Tanriyar, Osman Yoney.

Answering the criticisms, the Minister of State Mesut Yilmaz maintained that in their estimation the motion was devoid of all seriousness. During his speech Yilmaz announced that the letter sent by the Office of the Chief of General Staff to the Ministry of Defence contained the signatures of 50 medical doctors to the effect that there was no evidence to support the allegations of torture.

The first speaker was NDP member Mustafa Izci, the sponsor of the motion. Izci maintained that the government surpassed all previous governments of the republic in its violations of the law, its partisanship, favoritism, and treating people according to the insignia on their lapels which had become the order of the day. Continuing Izci said:

"Those who run the country by means of verbiage as if they were doing the talking back at their father's ranch in an 'anything goes' kind of way, those undersecretaries who contravene principles, the consultants, the Ekrem Pakdemir(s), Adnan Kahveci(s), Hasan Celal Guzel(s), Selim Egeli(s) of this

world who behave as if they possessed political accountability - how can they forget about the Constitution and the rule of law when issuing their statements?"

Izci's words caused reaction among the MP members Prime Minister Ozal included, and they expressed their displeasure by banging the table tops. The deputy speaker in charge of the session Ege issued a warning to the MP members by saying: "What is going on? You are the ones who say there is no opposition. Of course he will speak. And you will answer."

#### NDP Group

Explaining the views of the NDP parliamentary group, Kamran Inan argued that torture as alleged by Vural Arikan was unconstitutional, saying: "Turkey cannot be left under a cloud of allegations and suspicions of torture." Inan continued:

"The government is supposed to be in charge, not complain or play informer. The government must have realized the existence of these forces, as well as the fact that they are dark forces, for them to make such open declarations. In a state based on law, however, the duty of the government is to get rid of such forces. Such forces cast a shadow over state authority. Governments which agree to live under that shadow weaken the state. At a time when the term 'ruling powers' has yet to be clarified, it is unfortunate for the government spokesman to have introduced the expression 'dark forces'. That such expressions are made on behalf of the government is not compatible with the notion of authority and the dignity of the state. The government should clarify what they mean by such statements."

#### MP Group

Speaking for the MP parliamentary group, Hazim Kutay said they regard it unfortunate that such a discussion had to take place in the halls of the August Assembly, particularly when they have been using every available means at the disposal of the state in trying to prove that no torture is taking place for a long while, having adopted this as state policy.

Kutay also said that they did not agree with the claim that legislative proposals are prepared at the headquarters of the government party. Explaining that the sort of 'organic tie' existing between the party headquarters and the parliamentary caucus exists in the case of the opposition parties as well as the government party. Kutay said: "In fact there are so many parties outside the Assembly lacking this organic tie which they would dearly love to have that you should be grateful for your circumstances." Arguing that Vural Arikan's statements are brought to the Assembly time after time due to political purposes, Kutay said: "No one can come between Vural Arikan and our caucus. We won't allow it. A father both loves his son and uses the rod at the same time. We do our own business among ourselves."

## PP Group

Speaking for the PP group, Turan Beyazit noted that for the MP government (which has not even completed one whole year in office) to have been subjected to an interpolation motion over the issue of partisanship was unfortunate and a loss in their rating. Beyazit said: "If you start making a pitch for the 'organic tie' among party-government-caucus, you would find yourself on the wrong side of the Constitution. It is there the sickness has started." It would be against the nature of things to think that the pre-12 September mentality and organisation to exist now, noted Beyazit adding: "A faction has infiltrated the state today. Over and above infiltration, it has captured the state."

## For the Government

Answering the criticisms on behalf of the government Minister of State Mesut Yilmaz said that the interpolation motion was a serious institution, saying that "to activate it for any old reason can only harm those who resort to it." Maintaining that the motion may have contained aspects concerning the NDP but had nothing to do with the country at all, Yilmaz argued that the writings of certain gossip columnists were being used as possible evidential support for the motion. Stating that, "Turgut Ozal is the leader of the MP cause. So long as this cause is reached, the Prime Ministerial office is superfluous", Yilmaz denied allegations that legislative proposals were prepared at the party headquarters, and that committees have been set up for appointments in the public service.

During his speech the Minister of State expressed his "sorrow for being in the same parliament with the sponsor of the motion Mustafa Izci." Taking the floor on grounds of 'remarks of a personal nature', Izci maintained that the motion which had been termed 'non-serious' had in fact made great impact, adding that the government has been violating the law. He said: "This minister who maintains that he cannot bear to be under the same roof with me has been a misfortune as far as the nation is concerned."

Before the start of the deliberations an exchange took place between Prime Minister Ozal and NDP Chairman (Turgut) Sunalp over the issue of "seriousness." While Ozal said he "did not find the NDP motion serious enough", Sunalp countered by saying, "it is the Prime Minister himself who is devoid of all seriousness."

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## MUMCU ANGERED AT DELAY IN BALCI PROSECUTION

Istanbul CUMHURIYET in Turkish 14 Nov 84 pp 1,8

[Article by Ugur Mumcu]

[Text] Public officials who commit crimes in the course of duty and because of the duty, are prosecuted in accordance with the "Law Concerning Judgement of Public Officials" (1913) dating from the Ottoman Empire. In terms of this law, public officials alleged to have committed the crime are brought to trial under special procedures. An official is subjected to a preliminary investigation conducted by specially created councils. After the preliminary investigation the authorized bodies decide whether a trial would be necessary or not. The official is brought to trial only after the relevant bodies decide on the "necessity of trial" following the preliminary investigation.

Law no. 1609 delineates such crimes as "corruption, bribery, embezzlement" and draws away from the Law Concerning Judgement of Public Officials in that, in order to initiate preliminary investigation in such cases the permission of the ministry is required.

In accordance with the rule (article 154 of the Penal Courts Procedural Law) which states that "police chiefs are subject to legal procedures that are applied to judges who are tried due to duty-related charges", the law relating to judges and public prosecutors are applied vis-à-vis the police chiefs. According to the said article, in matters relating to the judiciary and in cases of "apparent misuse, negligence or undue delay", the public prosecutor can initiate investigation "directly". Article 82 of the Law Relating to Judges and Public Prosecutors has made investigation contingent upon the permission of the Minister of Justice.

These are the rules that apply in the case of Sukru Balci who is charged with receiving bribes from the underworld during his tenure as Istanbul Chief of Police. When evaluating the matter one ought to consider these rules. Let me tell you why!



Charges relating to Balci came out in the open in the course of the investigations of Dundar Kilic and Fahrettin Aslan. Kilic and Aslan retracted their testimonies, previously given during police questioning, when brought in front of the judge. It was said that during Kilic's questioning the names of many other public officials had been mentioned alongside Balci's. However, the public remained ignorant of how many times Kilic had been questioned by the police (or administrative inspectors or intelligence units), and whose names he had divulged during these questionings.

The file then arrived at Sisli Penal Court. The judge at Sisli asked whether "the former Chief of Police Sukru Balci who is alleged to have received bribes has been brought from abroad or not", and whether the transcripts of the "investigation carried out by the Istanbul Public Prosecutor's Office concerning Balci have arrived at the Ministry of Justice or not." In his interim decision the judge also demanded that the transcripts of "Dundar Kilic's testimony concerning Police Chief Sukru Balci and public officials as received by administrative inspectors be forwarded in whole if there are no objections whatsoever; but if there are objections from the viewpoint of the state then only that part which has a bearing on our file be forwarded."

This interim decision indicates that Kilic has given information concerning public officials other than Balci during his questioning. Who are these public officials?

According to Law no. 1609, the public prosecutor, "who has been informed of the crime", sends the "investigation file" to the relevant minister requesting permission for the investigation. The relevant ministry issues a reply to the public prosecutor in fifteen days at the most. If the ministry learns of the crimes via other channels the file is sent to the public prosecutor.

The matter has been on the agenda for the last eight months now. The Ministries of Justice, Interior, and External Affairs had learned about the issue eight months ago. If they did so how is it that the required procedures have not been completed since then? In terms of the judges and public prosecutors law, Balci's defense should have been taken by now, the investigation conducted, and he should have been either disciplined, or the ministry should have withdrawn his file.

Balci points out that he has since returned to Turkey on holiday, and that noone has ever asked him a single question to this day. If so, what kind of procedure is being conducted without his defence being taken down? Even more important, why hasn't he been called back to Turkey? Why has the file been in limbo for the last eight months?

The way the affair has developed, and the legislation that has been referred to, indicate that the Balci affair has been left dangling in the air to this day, and that legal procedures have not been applied. Why, yes why? Why wait until now? And what is the wait for?

The names of public officials have been mentioned alongside Balci's. Who are they? What kind of investigations are being conducted with regard to these public officials? And when have these investigations started?

Balci's case has not been brought to trial yet. Therefore there can be no legal obstacle in the way of discussing it in the Assembly. There are innumerable benefits in discussing the issue in the Assembly.

Who are the public officials whose names have been revealed by Kilic? We want to know.

The issue should have been investigated and concluded as soon as possible. If the allegations concerning Balci were false then the matter should have been clarified by now. But if a crime had indeed been committed as alleged, then the passing time might be used to tamper with the evidence one way or the other. Thus there were advantages in acting quickly.

We would have liked the Hon. Minister of Justice who recently made explanations along the lines of "we are investigating whether the crime is judicial or administrative " to tell us the reason for this delay. Our question is mighty small:

- Why have the procedures concerning Balci taken so long?

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## REINTEGRATION OF SCHOOL-AGE RETURNEES OFTEN PROBLEMATIC

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 11 Oct 84 p 11

[Article by Ruth Wegner and Birgit Landgraf: "The Turkish Children Speak German Even at Recess--Returned Teenagers Find Adjustment Difficult"]

[Text] As of this autumn, 130,000 Turkish workers with their families have returned to Turkey for good. Reports about the subsequent fate of the many thousands of returned children and teen-agers are rare. Is the public in the FRG no longer interested in what happens to them as soon as they have crossed our border? A group of nine teachers, social workers, and students was in Turkey for 4 months and compiled field reports and collected information about the educational and training problems of the returned children and juveniles.

In May--thus even before the summer vacation in the FRG and the wave of returnees began--we had a talk with an official of the Turkish education ministry. He reported to us about the problems which the already returned children and teen-agers are having with being reintegrated into the Turkish school system. According to the official of the education ministry, pupils from upper divisions of elementary school are having difficulties in the Turkish intermediate-level school, because the requirements of the Turkish intermediate-level school are higher than those of the German upper elementary school. Even junior high school students are finding it difficult to join the grades of pupils their own age. Attending school in Turkish classical secondary schools for pupils at the upper elementary school or junior high school level is almost impossible.

In Turkey there are only a few classical secondary schools with a foreign language as a main department. Now many returnee families are hoping to be able to place those of their children who have good German report cards in one of the German-speaking secondary schools. But the experiences of the official with whom we spoke show that as a rule these children do not pass the difficult entrance examinations. In most cases, the children and teen-agers are put into lower grades. Because if they went to school for a long time in Germany, their knowledge of Turkish was inadequate for school. Not only because their grammar was bad and Turkish is the main subject--the deficiencies also related to all subjects, since the pupils had to learn an

entirely new language vocabulary. In Germany, the use of the Turkish language had been "confined" to the everyday colloquial language. School Turkish in subjects such as mathematics or biology was foreign to them, just as were many facts arising from history and geography lessons.

As the official in the education ministry describes it, this situation has led to the fact that children and adolescents in the lower grades have been taunted and spurned by their younger fellow pupils because despite their age advantage, often they were still among the worst pupils. We could easily imagine how much these experiences of failure erode the self-confidence of the pupils and are felt as a debasement of their identity. Especially since another fact has been added to this--namely, that they are also rejected and punished by the teachers because they are regarded as lazy and ill-mannered. Accustomed to a different kind of behavior toward teachers and fellow pupils, out of ignorance they frequently violate the rules of politeness, deference, and respect toward adults. A frequent accusation of the teachers: The children coming from Germany are undisciplined and ill-mannered, even disrespectful, because they complain about punishments.

What should be done? To explain to the Turkish teachers about manners in German schools and to call for more tolerance? To familiarize the Turkish children in Germany early on with social manners at Turkish schools? But how--and who should do such a thing? Although there were models for a Turkish plan, the "policy of encouraging returns" in Bonn compelled more prompt answers.

The number of schoolchildren and teen-agers who have returned in the course of this school year was unexpectedly high and necessitated the rapid establishment of school-preparatory measures. Thus in mid-August, in the large cities of western Turkey, one-month orientation courses were begun which were supposed to make it easier for the returnee children to enroll in the regular schools.

The goal of these orientation courses was to improve the language proficiency of the pupils, to impart knowledge about Turkish history, geography, civics and social studies--and of course to convey regulations, rules, and standards of behavior in the Turkish school and educational system. Almost every day the Turkish press reported about these courses and the problems which arose here for children and teen-agers returning from Germany, Holland, and Switzerland, as well as for their teachers.

In the CUMHURRIYET (14 August) a principal is quoted who says the following about the meaning and purpose of the orientation courses: "...to train children so as to adhere to the principles of Ataturk, to love the fatherland, the people, the government, and the flag, and to show respect toward adults. In this connection, the utmost value is placed on discipline in the courses...."

A teacher of Turkish and literature asks leave to speak, in the HURRIYET (10 September): "It is not possible to hear Turkish from the pupils, especially at recess time. They even speak German in many classes.

Moreover they chew gum and drink soda pop in class. That is a consequence of the German educational system....We often remind them about the rules of behavior which they must heed during school time."

In Izmir we spoke with a pupil 16 years old who had lived in Germany since the age of 4 years, had last attended the 9th grade of junior high school there, and who has lived again in Turkey since the end of June. He attended one of the orientation courses and related that in his class there were 20 adolescents from 14 to 19 years of age, and that among them practically everything was represented that exists in Germany in the way of various culture styles of the youth: Poppers, punks, heavy metal, and break-dance devotees.

He himself, he said, is an ardent and good break-dancer. He said that in Germany he worked as a disk jockey in a youth center, and he brought along with him a large repertoire of his favorite music, which issued deafeningly from his equipment at home. This was tolerated by his mother, but not in public. After he had been back in Turkey for just a week, this youth had an experience which brought him very quickly and effectively down to the earth of Turkish reality. He had been doing break-dancing in the fairgrounds in Izmir with older teen-agers he had met by chance. There had been a large crowd of people at this free street performance, whereupon after a short time police came and arrested the young people. In contrast to the older youths, he himself was let off scot-free, because he could not yet have known that such "happenings" are not allowed. He was given a warning to take with him to not do any break-dancing on the street and to be careful about the company he keeps.

Offenses committed out of ignorance against legal and behavioral standards are frequent not only in school, but also in public. A teen-ager says in an interview in the CUMHURRIYET (14 August): "...I am used to the fashions in the other country. Here, everybody stares at my clothing and at my hair. They do not like pupils with blue jeans and without ties. Everybody wants me to cut my hair." The pupil from Izmir reported to us also from his school that they had to learn by heart the first three verses of the national anthem. In class, when one wants to say something he stands up in front of the teacher. When the teacher or another personage enters the classroom all the pupils stand up, and they sit down again only when they are requested to do so.

The Turkish education ministry was confronted with massive problems of the integration of pupils into the school system after the summer vacation. After the one-month orientation courses were completed, it was discovered that not enough places and teachers in regular school were available for the children. In Istanbul, Izmir, and Ankara, German-speaking schools were opened up which are designed specifically for the returned children. According to HURRIYET (19 September), the minister for youth and sports gave the assurance that other schools are being established with foreign-language classes, and that a change in guidelines is being attempted in order to lighten the acceptance conditions for the foreign-language classical secondary schools.

In the same edition of the HURRIYET the first protests by parents were also reported. With their return to Turkey, many families also had in mind the future of their children; a Turkish upbringing and education. Now they view this expectation with disappointment, in light of the difficult acceptance examination for the classical secondary schools and the lack of schools and teachers in general. In the apprenticeship market things are likely to be similar. Many of the returned young people are aspiring to training in the tourism and catering-trade sector--a training in which they can turn to good account a bit of the language proficiency acquired in Germany (CUMHURİYET of 12 August 1984).

Interestingly enough, this idea coincides with the notions which people have in the Turkish education ministry about the training of the young returnees. That is, to have workers with a knowledge of German and English for a rapidly developing tourism, and to have workers in the sector of skilled technical worker occupations who because of their language proficiency will be at home more quickly with new technology imported from abroad. But in this sector will there be enough training centers or coaching schools so very quickly?

Whatever may be done in the way of educational facilities and measures for the returning children and adolescents, the problems of their difficulties in adjusting are not solved by these. They must accomplish their achievements in adjustment by themselves, here just as they did in the other country. In Germany that meant: Adjustment to the German culture and way of life, in order to avoid being scorned and rejected as Turks. Now in Turkey this means: Adjustment in order to be recognized and accepted as Turks.

For Turkish girls the problem is probably less severe if their parents kept them at home as much as possible and looked after them particularly closely out of fear that their daughters could be "corrupted" in Germany. However, for those girls who were in Germany a long time or were brought up more liberally by their parents, it can be assumed that upon their return they find an image of women which is unfamiliar to them, according to the standards of which they now much conduct themselves. The acclimatization to these will be incomparably more difficult for these girls than for the boys, because they mean restriction and control. For everybody the fact remains that in returning to Turkey they are coming back into a culture which in many cases has become strange to them, at an age when they are just beginning to shape their identities. If in Germany they have associated with certain groups, at their return they are lacking the orientation important to them: In Turkey they encounter peers who present them with other attitudinal patterns, and adults who expect a different behavior from them. They have a difficult time finding friends.

Here the question arises: how is this adjustment coming along? Perhaps an over-adjustment is taking place, an exaggerated observance of social rules, in order to avoid standing out and so as to gain acceptance as rapidly as possible into the group of their peers. Or the teen-agers are remaining isolated, because they do not want to and cannot readapt so quickly, they cannot stand the social pressure, and therefore avoid it. What effects



will such conditions have for the self-esteem of these adolescents? And how will the society behave toward the teen-agers?

These are questions which cannot yet be answered at present. But does the answer interest us here in Germany at all? Does the subsequent fate of the children and adolescents who have grown up with us still concern us a little? We think so.

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## PROPOSALS ABOUND FOR 'EUROPEAN' DEFENSE POLICY

## Greater EC Role Urged

Bonn DIE WELT in German 30 Oct 84 p 10

[Article by B. Conrad: "New Impetus for Common EC Security Policy"]

[Text] An essential step forward in German-French and European cooperation is what the Federal Government hopes to get out of the 2-day consultations between Federal Chancellor Helmut Kohl and President Francois Mitterrand which began yesterday afternoon in Bad Kreuznach. The deliberations will focus on foreign policy and security policy which until now, in the context of EPZ (European Political Cooperation), was only a subject for noncommittal consultations and which is now to be placed on a new foundation within EC in response to a request from Paris and Bonn.

Besides, the summit meeting is expected to yield at least preliminary decisions on European space plans and participation in an American space station as well as new impetus for the promotion of German and French language instruction.

## In Adenauer's Footsteps

Mitterrand was welcomed in the afternoon by the federal chancellor, by Rhineland-Palatinate Minister President Bernhard Vogel, and by State Diet President Albrecht Martin at the Pferdsfeld Air Base. The official reception with military honors then took place in front of the Spa Building in Bad Kreuznach where the then Federal Chancellor Konrad Adenauer and French President Charles de Gaulle drafted the Elysee Treaty. Then the chancellor and the president sat down for a private talk while the various ministers met for parallel discussions. Later, Kohl also met Prime Minister Laurent Fabius. The first day ended with a banquet in the Oval Room of the Spa Building.

Even before their bosses arrived, Federal Foreign Minister Hans-Dietrich Genscher and Federal Defense Minister Manfred Woerner during a joint meeting with Foreign Minister Claude Cheysson and Defense Minister Charles Hernu started the consultations as such. The four ministers had just together

attended the WEU council of ministers session in Rome. Satisfied with the strengthening of the "European pillar" of NATO, which was decided there, they now discussed current bilateral security policy questions and better foreign policy and security coordination within the EC.

State Secretary Peter Boenisch had earlier pointed out in Bonn that the West German government and the French government also wanted to concentrate on European progress in those areas where progress was feasible and that meant foreign policy and security policy. German-French relations always had a certain leading function in supplying new impetus for the European integration process.

In addition to Kohl, Genscher, and Woerner, the German side was also represented by Finance Minister Gerhard Stoltenberg, Economy Minister Martin Bangemann, Research Minister Heinz Riesenhuber, Post Minister Christian Schwarz-Schilling, and Helga Wex, in charge of German-French cooperation; all of them participated in the consultations likewise. In addition to Mitterrand, Fabius, Cheysson, and Hernu, the French delegation also included ministers Edith Cresson (industry), Roland Dumas (Europe), Pierre Berégovoy (finance and economy), Hubert Curien (research), and Jack Lang (culture).

To prepare the discussion topic entitled "Cooperation in Research and Technology" the federal chancellor on Friday met with ministers Genscher, Riesenhuber, Bangemann, Stoltenberg, and Woerner.

#### Talks on "Ariane"

The federal government is obviously ready to participate in the improvement of the "Ariane" delivery vehicle as possible foundation for a separate European space effort but it is also pleading for participation in American space projects in order to keep up with high technology. There are apparently still considerable differences of opinion as regards the financing.

Discussions in Bad Kreuznach are also to cover cooperation in the development of big equipment items, the construction of rapid-transit lines, the Airbus, the development of telephone systems, and media questions.

This morning, the consultations in Bad Kreuznach will initially be continued in smaller groups and this will be followed later on by a full meeting. A press conference will mark the end of this meeting. After that, the chancellor and the president will fly to Koblenz in order to witness the return of the "Griffon" cannon dating back to the year 1524 which was last kept in the Dome des Invalides in Paris. In the afternoon, Kohl bade his guests farewell at the Pferdsfeld Air Base.

#### WEU as 'European Pillar'

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Oct 84 p 3

[Text] The WEU is to become the long-desired "European pillar" of the Atlantic Alliance as a result of stepped-up cooperation among its seven member states.

in the field of armament, on questions of arms limitation and disarmament. This contention is behind the "Rome Declaration" which was approved over the weekend by the foreign and defense ministers of the seven WEU countries which ended their gathering on the 30th anniversary of the founding of the organization which sprang up once upon a time in the shadow of the failure of the European defense community. To lend full significance to the European element in the Atlantic Pact, in order especially to enable the partners of the United States to participate usefully in the most modern technical developments, the existing institutions of the WEU--the Council of Ministers, the Permanent Council, the Arms Control Bureau, and the Permanent Armament Committee--are to be adapted to current conditions. These institutions, which are concerned with technical questions, are to promote, in keeping with the wishes of the seven partner countries, the kind of cooperation on the Old Continent which would give Europe the significance which it should have within the context of NATO.

The attempt to turn the "newly revived" WEU into an instrument for the promotion of as yet nonexistent European unity is to be expressed outwardly through two annual meetings of the foreign and defense ministers (in the particular presiding country). The seven ministers in the future want to coordinate their views on the "specific security situation in Europe," especially in the defense sector, in the course of detailed conversations. They can also take up the effects of crises, in other parts of the world, as regards Europe.

All of this--as Foreign Minister Genscher emphasized repeatedly when he was chairman of the WEU Council of Ministers--does not mean that Europe wants to go it alone: Instead, the determination to make the WEU more effective as the only binding instrument that ties the partners together in mutual military aid must be interpreted as a strengthening of the entire Alliance whose security remains indivisible. The United States welcomed this development and would be constantly briefed on details. According to Genscher, Washington could only welcome the idea of having a strong European partner. Besides, there is no thought whatsoever of replacing existing bodies in NATO, such as the "Euro-Group" or the nuclear planning group. One can observe with satisfaction the degree of unanimity with which the foreign and defense ministers gathered in Rome agreed on the final document. Genscher submitted the same positive report on the council of ministers session this Monday in Rome to the anniversary meeting of the members of parliament of the WEU Assembly who in the future are to work more closely and more effectively with the Council of Ministers. The WEU members of parliament should in the future also present especially to the public the significance and goals of the "European pillar" of the Alliance.

The Rome meeting had been described as "historical" by the German side from the very beginning: Questions as to what the specific consequences of the revival of the WEU were going to be, were sidestepped with the reference to the effect that Rome involved only plans, exchanges of ideas, and hopes, especially as regards high technology. The ministers, who gathered along the Tiber River in response to an Italian invitation to take up the issues of cooperation by virtue of their double appearance before

proved the great significance that was being assigned to the "European pillar" of the Alliance. For example, Portugal's desire to join the WEU is excellent evidence of the force of attraction which the organization is exercising as an integrating element. Of course, applications for admission always involve national decisions which neither the Council of Ministers nor the WEU assembly can influence directly. The real meaning of the WEU in the past resided above all in the fact that, by virtue of the 1954 agreement, it gave the FRG a voice on European issues before it was admitted as a full member of the western defense community, while it gave a voice to Great Britain prior to its admission to the EC.

Of course, British ministers Howe and Haseltine agreed with Genscher's version, but it was precisely the British diplomats who had earlier made it clear that London by no means views the revival of WEU as a replacement for NATO and that the latter's bodies must continue to carry out their tasks. Strengthening the European voice must under no circumstances take anything away from the vital relationship to America and the latter's protection function in the defense of Europe.

For French Foreign Minister Cheysson--who did not participate in the start of the council of ministers meeting on Friday because of a reception at the Soviet Embassy in Paris--the revived WEU is above all a means toward a European voice on space armament questions, whereby this is supposed to urge the United States and the Soviet Union to negotiate on these questions. Cheysson said furthermore that all plans for closer armament cooperation and military coordination within the context of WEU did not in any way mean that Paris would once again place itself under integrated supreme command via this detour.

Political observers in Rome did not fail to note that Cheysson--who purely outwardly preserved his aloofness from the practical optimism of the Germans and Italians through his rather grouchy behavior--thus once again clarified the boundaries of supranational policy. The Germans commented that this did not change anything in the existing and growing German-French cooperation in the field of armaments. [words missing in original]...of the European part of the alliance, also because this would rule out any German go-it-alone policy.

Italian Foreign Minister Andreotti suggested the possibility of military service by citizens of the WEU countries in the armed forces of a partner country if these persons live outside their homeland. His Belgian colleague Tindemans termed the strengthening of WEU a means for the expression of European defense determination in the face of an increasingly skeptical United States Congress; but experts in Rome also realize clearly that it will take a long time before such intentions can be materialized.

The important thing is to promote specific projects, such as the construction of a modern European supersonic fighter, helicopters for spotting and engaging submarines, or a European observation aircraft according to the model of the American AWACS, and above all the still missing but urgently necessary standardization of weapons.

## NATO/Pact Detente Hopes

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Oct 84 p 2

[Text] SPD [Social Democratic Party of Germany] delegation chairman Vogel demanded "specific changes" in the strategy of the Western Alliance. There is to be no first-strike by atomic weapons; poison gas stockpiles in the FRG are to be removed; and "a zone free of chemical weapons in Europe" is to be established. Over the weekend, Vogel--during a security policy meeting of his delegation in Koblenz--came out in favor of a "bilateral suspension of missile basing." Only such a step could interrupt the missile race and make new negotiations possible. He demanded that the Federal Government use its "entire political clout" in support of a resumption of negotiations on the reduction of intercontinental and medium-range missiles. But Vogel avoided any demand that the American medium-range missiles which have already been based here be once again withdrawn unilaterally.

The amendment proposals include "confidence-building measures on the all-European level," such as they are provided for by the conference on confidence-building and security-building measures and disarmament in Europe. The countries in both alliances should enter into an agreement on the renunciation "of the use of force--nuclear and conventional" and this should also rule out the first-strike use of atomic weapons. The Vienna MBFR negotiations are to be broadened in geographic terms; until now they have been confined to Central Europe. Poison gas stockpiles in the FRG should be removed. Finally, Vogel demanded a gradual reduction "of tactical nuclear weapons in Europe." The goal of the efforts being made by the SPD reportedly is a peace system which Vogel described with the term "security partnership." "An essential part of this peace system is a Europe that is free of all atomic weapons and all other mass annihilation weapons, including the European part of the Soviet Union. This also calls for an agreed-upon conventional stability with the capability of the Western Alliance to confront the Warsaw Pact with an unacceptable risk in case of a conventional attack."

Vogel criticized the overall armed forces plan for the coming decade which was recently approved by the federal cabinet. The plans submitted by Defense Minister Woerner did not fit in with the "geographic and financial facts of life" of the FRG. "We therefore reject them." Besides, it is "scandalous" to note the way in which Woerner "stage-managed" the parliamentary treatment of his plans. The defense experts of his own delegation briefed him confidentially on 19 September but they denied "any and all information" to the SPD delegation until 5 October. On 18 October, the coalition insisted in the defense committee that the plans be approved in a single session. The SPD members of the defense committee therefore were right when they walked out of the meeting. Vogel said that the defense minister's plans are not backed up in financial terms; there is a threatening cost explosion as in the case of the Tornado aircraft. The extension of the term of military service was not adequately justified and is therefore rejected by the SPD. It is "illusory" to want to keep the peacetime strength of the armed forces at 495,000 men.

9058

CSO: 3620/116



## SPD CAUCUS SPLIT ON MILITARY BUDGET, MANPOWER ISSUES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Nov 84 p 3

[Article by Claus Genrich: "Socialist Security Policy Makers Divided on Ehmke Plan"]

[Text] Bonn, 12 November--Deep-rooted differences can be recognized in the SPD [Social Democratic Party of Germany] Lower House delegation regarding the assessment of armed forces planning. A dispute arose especially on armed forces personnel planning. A strong minority in the delegation came out against the almost unconditional "no" on the administration's future plans which had been formulated above all by deputy delegation leader Ehmke. This minority insists that the SPD must not yet have said its last word on this issue. Ehmke's almost unconditional "no" is countered by a "conditional yes" from security policy makers such as deputies Jungmann, Scheer, and Voigt. In their view, the security policy committee attached to the party executive committee should take this matter up very soon.

Ehmke and former Minister von Buelow rejected armed forces plans in the SPD delegation and definitely dissociated themselves from almost all measures aimed at guaranteeing personnel requirements. They qualified this with a reference to the necessary "structural changes" in the armed forces. During the 23 October delegation meeting, Ehmke pushed through the acceptance of a paper in which the SPD delegation condemned the "quick job" that was done to pass the defense minister's proposals in the federal cabinet and the defense committee of the Bundestag. "The Bundestag delegation rejects the force planning submitted by the federal defense minister which revolves around the extension of the period of mandatory military service by 3 months and the term of alternate service." The SPD reportedly believes that a change in the force structure is a matter of priority concern.

Security policy makers Jungmann and Scheer on the other hand submitted an amendment proposal which states that structural reforms will still be required even if the military service term is extended from 15 to 18 months. Measures aimed at a conventionalization of the defense establishment should be carried out through reorganization instead of through an increase in defense spending. "The Bundestag delegation is therefore prepared under certain specific conditions to agree to an extension of the term of

military service." These prerequisites reportedly consist in the following: the administration must take steps toward the denuclearization of the Central European battlefield. The SPD expects sincere efforts aimed at a resumption of negotiations on short-range and medium-range atomic weapons in Europe on the basis of a halt on missile basing in NATO and in the Warsaw Pact. Priority should be given to an improvement in the "annual age-class utilization rate" when it comes to induction into the armed forces so that fairness in the draft may be promoted.

By way of prerequisites for SPD approval of the draft extension, the amendment proposal also mentions the removal of tactical atomic weapons from the forward lines and efforts aimed at creating a strip of 150 kilometers on both sides of the bloc boundaries that would be free of atomic weapons. The reduction of atomic delivery vehicles in the armed forces and the strict separation of conventional from atomic delivery vehicles is demanded here, just as are further efforts aimed at reducing the chemical weapons potential on the territory of the FRG.

There will be no separate approval of the individual measure aimed at extending the draft without the other steps. Then comes the decisive sentence: "The Bundestag delegation however wishes to make it perfectly clear that, under the conditions specified, it is not prepared to go along with the unpopular draft extension in order thus to guarantee the personnel requirements of the armed forces which will have an altered structure, in order to preserve the character of the armed forces as an army of draftees, and in order to launch defensive conventionalization." The amendment proposal, which was supported by one-fourth to one-third of the Bundestag delegation, was rejected without any major debate.

#### The Argument of Credibility

SPD security policy makers, who were shocked by Ehmke's comprehensive rejection of armed forces planning, expressed their concern to this newspaper to the effect that it will be very difficult for the SPD to develop a new defense policy under the slogan of denuclearization and at the same time to demand a reduction in conventional forces. Neither one nor the other objective could then "be realized in conceptual terms." Besides, this would hardly be a credible argument within the armed forces as such.

SPD deputies said that it was their impression that the delegation's majority--in approving Ehmke's paper--was guided by general skepticism toward the extension of the draft and therefore only vaguely made reference to "new structures" as a way out of the tight personnel situation. In contrast to the administration's move, the delegation's majority now did not want to approve any proposal at all. The security policy makers, who came out in favor of the amendment proposal, however considered it important for the SPD to make it perfectly clear as to the prerequisites under which the party might also visualize an extension of the period of military service. Such an extension and a structural reform reportedly are not considered "alternatives"--otherwise one could not credibly push for lifting the atomic threshold.

In June, SPD deputies such as Jungmann and Scheer during a caucus of the delegation's security policy study group warned against an excessively rigorous rejection of new steps. The study group overwhelmingly accepted this situation estimate. Even then, Ehmke advocated a negative response to armed forces planning. In October, Ehmke drafted his paper as a basis for a resolution by the entire delegation. That paper hardly any longer contained the differentiations which the study group had recommended in June. This is why the amendment proposal was introduced into the delegation. Delegation chairman Vogel in the past said several times that, under certain circumstances, he could visualize an extension of military service. But then he approved Ehmke's paper in October.

Last week, the delegation had a dispute on another declaration which Ehmke had supported. That declaration condemned statements by a CDU [Christian Democratic Union] policy maker about the migration of persons liable for military service and alternate civilian service to Berlin as "grabbing our heroes away from us." The delegation's security policy makers pointed out that the SPD, while it was in power during the 1970's, recognized the same problem but did not pursue the issue further at that time because there was enough personnel available for the armed forces at that time; but now, measures aimed at restoring fairness in military service make sense also in view of the possibility of escaping to Berlin. In security policy terms, it seems that Ehmke also is facing opposition from the majority of the expert deputies, including obviously also Bahr, whereas the majority of the delegation came out in support of his and Buelow's viewpoint.

5058

CSO: 3620/117

## PROVISIONS OF 5-YEAR SPECIAL ENLISTMENTS BILL

## Inclusion of Women

Athens ETHNOS in Greek 23 Nov 84 p 16

[Text] The draft bill submitted to parliament yesterday specified that women also would be able to serve in the special 5-year enlistment army corps.

The bill that triggered the New Democrats' outcries, about "mercenaries" and "pretorian guards," covers the needs of the new arms systems which require specialized personnel to handle them.

As the introductory report mentions: "The present enlistment period does not allow enough time for proper training." That is why the bill establishes a new special corps in the armed forces which will consist of 5,000 men and women who will have to enlist for five years.

It specifies that this does not affect or change in any way the two categories of lower ranking recruits: permanent ones and volunteers.

Recruits in this new category are drawn from:

- . Citizens who did not do their military service.
- . Citizens who have fulfilled their military obligations.
- . Recruits who are already serving.

The bill specifies the qualifications required from each category of citizens or recruits who wish to serve in the 5-year enlistment corps, the rules and criteria for promotion and the reasons for discharge.

The advantages the bill foresees for those recruits when they have completed their tour of duty are significant.

Namely:

- . They will be eligible for the entrance examinations of armed forces academies, provided they meet the requirements of each academy.

. A 20% proportion of those admitted every year to the armed forces academies will be drawn from these recruits provided, of course, that they have the necessary qualifications. The non-commissioned officers' age limit for admittance is raised by three years for this category specially. The same applies to police, firemen's and coast-guards' academies.

. Also 20% of the total number of permanent functionaries hired every year by the Ministry of National Defense will be drawn in priority from the 5-year enlistment recruits, as long as they meet the legal requirements.

From the moment they are enlisted, these recruits will be entitled to the same salaries as their equals in rank who are on permanent active duty. They will also be insured in the special IKA [Social Insurance Foundation] branch and their families will be receiving the same medical care and discount drugs as those of non-commissioned officers.

The ND's request for a nominal election, regarding article 9 of the draft bill on research and technology, was withdrawn at the beginning of yesterday's session and discussion of the remaining articles proceeded peacefully.

The minister, Mr. Lianis, remarked that the New Democracy's deputies had misunderstood some of the draft bill's concepts and he changed the phrasing of some articles. Those changes are chiefly related to the election of administrative councils of research centers and institutes to which researchers of the third category will also be eligible.

#### Bill Protested

Athens RIZOSPASTIS in Greek 27 Nov 84 p 3

[Text] The draft bill on the "5,000 salaried volunteers" has been submitted and will be debated in parliament in the coming days, under the emergency procedure. One might say that the government turned a deaf ear to the public outcry, to the protests of popular mass organizations which asked that the bill not be pushed and pointed out the grave dangers of establishing institutionalized "mercenaries" in the branches of the armed forces. By implementing schemes of the Right, which were developed according to NATO's directives, the government is shouldering serious responsibilities. The issue is not an innocuous "technical" one as Mr. Pro-soyannis claims and as it is said the draft bill's introductory report. It would be easy for the "5,000 salaried volunteers" who will be manning such "nerve center" specialties as tanks, radars etc. to acquire the mercenary's "ideology" since their relationship with the army will be that of employer and employee. It is clear that in this way a dispassionate adversary of the people's movement might be created, ready to obey anyone's orders, endangering democracy and the people's freedoms.

The argument that there are "technical needs" is being put forward. Did the government have other means of solving them, however? Of course, yes. At present hundreds of university, technical school graduates etc. are performing military service who, because of their political convictions, are reduced to either swinging a pick or pushing a pen. Why is it that they cannot be made use of at the same time that training is improved and modernized? Why can't permanent armed forces personnel be made use of?

It is obvious that NATO's formula for mercenaries, which has been implemented in other countries, aims at keeping firmly in hand those who control tanks and other "complex" materiel. Far from and as much as possible immune to the reactions of the popular factor, to faithfully serve its interest since NATO has, of course, its aims and interest. But what justification does the government have in falling in line?

In view of its responsibilities, the government's duty, be it at the last minute, is to withdraw the draft bill related to mercenaries. There are other ways of solving the armed forces' needs. The way of democratization, of benefiting from the knowledge of the enlisted and permanent [recruits]. Democratization would set free all the great and creative capabilities of the existing potential for assimilating new technologies.

12278

CSO: 3521/107



## BRIEFS

LOCAL TECHNOLOGY USE FOR ARMED FORCES WEAPONS -- The armed forces will be equipped with Greek radio transmitters, fire-control systems, secret [cryptographic?] devices and field telephone switchboards, that is, advanced technology systems. The contracts were signed yesterday by deputy minister of national defense, Mr. P. Zakolikos and the EAB [Greek Aviation Industry] chairman, Professor Pan. Fotilas. They foresee the supplying of electronic and optical-electric devices of Greek design and development for the armed forces. As Mr. Zakolikos announced, this is a 5-year contract with an ongoing program up to 1994. All the systems were developed with exceptional success by the National Defense Research Center. A 5 billion drachma program has been approved already by the KYSEA [Government Council For National Defense]. Those systems are also being manufactured for export. More precisely: radio transmitters, secret [cryptographic?] devices, laser artillery range-finders, walkie-talkies and field telephone switchboards. The already existing technical infrastructure of the EAB is being developed by the inclusion of those items in production, the deputy minister said, while creating simultaneously 250 jobs for specialized scientists. With this kind of production the EAB becomes for the first time a manufacturing enterprise with 5 billion drachmas worth of foreign currency benefits in the initial stage, and it contributes to decreasing dependence on foreign nations. [Text] [Athens TO VINA in Greek 21 Nov 84 p 3] 12278

INVESTIGATION OF MARCH PARTICIPANTS -- "Those who serve in the armed forces can take part in commemoration ceremonies and wreath laying and in religious and national holidays, but they are not allowed to march under party banners and standards." The alternate minister of national defense, Mr. K.A. Drosoyannis, made this statement during a meeting with journalists on the issue of the participation of soldiers in the Polytechnic School anniversary commemoration ceremonies and march. In reply to a question as to whether there would be an inquiry about the soldiers who participated in the march, he said there would be one. [Text] [Athens MESIMVRINI in Greek 21 Nov 84 p 4] 12278

PROMOTION RULE CHANGES 'DISTURBING' -- A big "bang" is expected in the coming days among the armed forces' officers, as it appears that something is cooking in the government regarding the promotion system, chiefly of higher ranking officers, that is, from the rank of colonel upward. Specifically it [the government] hopes to be able to persuade everyone concerned in the nation that the law regulating the promotion of higher ranking officers must be amended in such a way that every time it might wish to promote one of its own people in the army, the navy or the air force this could be done without the promotion of that person automatically forcing into retirement those who will be overlooked. This radical change in the

hierarchy, or rather its total abolition, is expected to cause lively reactions since it will eliminate the entire structure which for decades now has supported the pyramid of the armed forces' higher ranking officers. The efforts of some officials to dissuade the government were to no avail. The president of the republic is now the officers' last remaining hope. We shall see how this latest "feat" of our socialist government will end. [Text] [Athens POLITIKA THEMATA in Greek 23 Nov 84 p 10] 12278

CSO: 3521/107

## ISSUES, OBJECTIVES IN CHINA'S TRADE WITH FRG

Beijing GUOJI MAOYI /INTERTRADE/ in Chinese No 8, 27 Aug 84 pp 3-5

/Article by Wei Yuming /7614 3768 2494/, vice-minister of the Ministry of Foreign Economic Relations and Trade: "New Trends in the Unity of Importing Technology and Expanding Trade"--speech at FRG Conference on Industry and Commerce/

/Text/ China has entered upon a new period of comprehensive development of socialist modernization; 1983 was the best year for China's economy since 1979. Gross output value for industry and agriculture reached 884.7 billion yuan, two years ahead of the target set for 1985 by the Sixth 5-year Plan. In the past 3 years, gross output value for industry and agriculture grew by an average of 7 percent per year, while grain yield grew by 5.4 million tons annually, and petroleum, coal, chemical fertilizer, rolled steel and cement and other major industrial and agricultural products all attained 1985 targets 2 years ahead of schedule.

In order to hasten its socialist modernization, China has implemented the policy of opening to the outside world, has vigorously developed its foreign trade, and has expanded foreign economic and technical interchange. This is China's firm and unswerving long-term strategy. China's foreign trade is steadily making new progress along with steady economic growth. In 1983, international economic conditions were not very good. A few Western nations' economies have begun to recover, but because economic growth is slow, demand on the world market is weak and international trade remains at a low level. In spite of this, China's foreign trade has still been able to score relatively good achievements. In 1983, China's foreign import and export trade amounted to \$40.14 billion, an increase of 2.2 percent over 1982. Of this, exports amounted to \$22 billion, an increase of 11.2 percent over 1982, while imports amounted to \$18.14 billion, a 21.4 percent increase. Utilization of foreign capital has made notable progress, as China has signed new loan agreements with Japan, Italy, Kuwait, Denmark, Malta, and the World Bank worth \$1.33 billion, plus direct investment agreements with foreign countries worth \$1.5 billion. And 105 Chinese-foreign joint venture enterprises have recently been approved, exceeding the sum total of the past several

years. By the end of 1983 there were 188 such enterprises in all; 424 new foreign engineering, labor, and service cooperative contracts were signed in the amount of \$910 million, 80 percent higher than the figure for 1982. The scope of China's trade with foreign countries will progressively expand and the realm of joint ventures will broaden in accordance with the demands of China's economic development.

We are happy to observe that since China and the Federal Republic of Germany /hereafter FRG/ established diplomatic relations in 1972, and along with the development of friendly relations, the two countries, trade and joint ventures have developed rapidly. FRG is China's fourth largest trading partner, after Japan, Hong Kong, and the United States, and the largest among Western European countries. In 1983, trade between China and FRG amounted to \$2.07 billion, which represents a 7.6 fold increase over 1982; of this, China's imports amounted to \$1.25 billion, her exports \$820 million. FRG is one of the countries that sells China technical equipment, rolled steel, chemical products, and other major supplies. At the same time, FRG is an important market for China's exports of chemical products, local produce and animal by-products, textile goods, handicraft products, and other commodities. Since implementation of the policy of opening to the outside world, China and FRG have adopted ever more flexible approaches to trade and economic and technical cooperation, and contacts between the two have increased. In recent years, enterprises from both countries have reached agreements on several hundred joint projects of various types and forms involving trade of technology, including joint production, joint management, compensatory trade, and processing of imported materials. In the past 5 years, China has signed over 200 contracts making use of foreign exchange to import technical items from 22 countries and regions in an amount exceeding \$1 billion, which makes China second only to Japan as an importer of technology.

One desirable form of economic and technical cooperation that China and FRG have developed in recent years is production technology. China has a certain processing capability and level of technical competence, while FRG has advanced technology. Joint production would have a significant impact on the development of both countries' trade and on strengthening their competitiveness in the world market. As for joint ventures, although there has been a certain degree of development, progress on both sides has been slow. Right now there is only one such project, the Tianjin Liming Cosmetic Joint Management Corporation approved and established by the (wei-la) /1218 2139/ Corp of FRG and the Household Chemical Products Factory No 1 of Tianjin. For the past 3 years, the joint management of both sides have been satisfied with the results of economic management of this corporation. At present, the Volkswagen Corp and the Shanghai Tractor and Automobile Corp are discussing joint economic management to produce the "Sang-ta-nuo" /2718 1044 1226/ compact car. We are looking forward to an agreement being reached on this project as soon as possible. Labor

and service cooperation is a new type of business developed by the two countries in recent years. We hope to steadily strengthen this area of cooperation, and moreover to expand it to include separate contracts for installation and operation of equipment. We truly appreciate these significant efforts made by FRG to provide China with technical aid and training of personnel. Another recent noteworthy development that is very gratifying is one-to-one cooperation between FRG states and PRC provinces. Liaoning, Jiangsu, Anhui, Shandong, and other provinces have set up one-to-one cooperative relationships with Hessen, Baden-Wurttemberg, Bavaria and North Rhine-Westphalia, Rhineland-Palatinate and Lower Saxony. Both sides already have a number of medium and small joint projects in the world. All of this is conducive to cooperation between medium and small enterprises of both countries. In sum, economic and trade cooperation between China and FRG is healthy and has achieved abundant success.

We are not satisfied, however, with the existing level of economic and trade cooperation. Each side still must constantly deepen its understanding of the other so as to overcome existing problems. For example, some entrepreneurs want to sell only their products but are unwilling to turn over the technology, concerned that it cannot be protected or that China could become a competitor and cause them to lose their market in China. Some are also subject to the control of the Paris Plan Committee. We think that these misgivings are unfounded. China has recently announced new patent laws and on 1 April 1985 a patent system will go into effect. Until then, transfer of technology will be prescribed and confirmed by contract. Years of practice have proven that Chinese enterprises conscientiously honor important contracts. And concerns over China becoming a competitor are even more unfounded, for China's market is vast, and the primary purpose of importing technology is to meet the demands of our domestic market. It takes China 3 to 5 years at the least to go from technology importation to manufacture, and by the time the product is sold, new technology and products will have appeared. Therefore, whether a product is exported or not, new technology cannot be measured, and regardless of whether a product is advanced or conforms to market demand, it will not be produced in great quantities. Thus, a farsighted and wise entrepreneur would not harbor this kind of anxiety.

Judging from the response of Chinese consumers, the quality and reputation of FRG technology and products are high, but more often than not their prices are higher than other countries'. We wonder if your country could not score success not only through quality but also through the pricing of its products and technology. Then we could encourage Chinese enterprises to buy even more FRG products and technology and expand trade on the basis of equality and mutual benefit. At the same time we should adopt a variety of flexible forms of cooperation and avoid concentrating on just one licensed form. We invite more FRG firms to make direct investments in China, to set up joint enterprises with Chinese firms or to set up wholly-owned enterprises. It is my belief that through the concerted efforts of both sides, we will definitely achieve good results.

The excellent state of China's industrial and agricultural production offers a rich material base for the development of foreign trade. Concentrating our efforts on the development of energy, communications, and transportation, and methodically transforming existing enterprises are the two major strategic missions of China's economic construction. This will offer growing potential for greatly expanding foreign trade, absorbing foreign capital, and importing technology. China plans to construct a great quantity of new, large-scale key projects within the next 7 years, such as the second phase of the Bao-gang project, a communications and broadcasting satellite, nuclear power plants, large-scale coal mining, offshore oil development, large-scale electric power plants, and transportation and communications projects. At the same time we must carry out technical renovation of several hundred thousand old enterprises. China had planned by the end of the Sixth 5-year Plan, i.e., 1985, to deal with 3,000 such national enterprises. At present, several hundred have been completed, 1,000 more have been scheduled for 1984, and another 1,500 for 1985. These figures do not include enterprise renovation projects carried out independently at the local level. A relatively large proportion of these major projects just mentioned will come to fruition by utilizing foreign capital, importing technology, and through foreign trade.

We stress the development of relations with the European community /Ouzhou gongtongti 2962 3166 0364 0681 7555/ and with FRG, and we are exceedingly confident concerning the prospects for trade and economic and technical cooperation between the two countries. Consequently we hope to strengthen cooperation in the following areas.

1. Expansion of bilateral trade: Last year, China's exports to FRG reached an all-time high. We are most pleased to observe that chemical products have replaced local produce and animal by-products as the largest category of Chinese exports to FRG. This development should be beneficial to the economies of both countries for years to come. It also demonstrates the potential for augmenting economic exchange between them. I particularly wish to reiterate that in the area of foreign trade, China will henceforth adhere to the principle of combining technology importation with expansion of trade.

2. Strengthening production and technical cooperation: Combining trade of technology with joint production has become the new trend in the development of China's economic and trade cooperation with other countries. In just the first quarter of this year, China and FRG concluded 20 contracts, worth over \$60 million. On this visit we have brought with us several dozen cooperative projects, and we intend to explore their possibilities together with FRG entrepreneurs. A list of projects has been given to FRG economic departments and the Oriental Committee. In addition to projects already discussed, there is also a large number of new projects that we invite you to choose from. The specialists in our delegation will hold in-depth talks with joint



enterprises that have similar interests. After our visit to FRG there will follow a nonferrous metallurgy team and other groups in succession, in search of more opportunities for cooperation.

3. Participate in more direct investment, start up Chinese-foreign joint ventures, cooperative enterprises, and joint exploration and development of offshore oil, and start up wholly-owned enterprises: There are now more than 2,000 enterprises in China that are absorbing direct foreign investment. According to the terms of agreements, foreign firms have contracted for investments totalling \$6.7 billion, of which \$2.6 billion has already been absorbed. The great majority of these enterprises have already begun operation and opened for business, and their economic results appear to be quite good. In June 1983 China convened the first national working conference on utilizing foreign capital, thus taking a step in further relaxing policies. In September China made public "Provisions for Enforcing the Laws Governing Chinese-Foreign Joint Ventures," which clearly spell out regulations concerning joint venture tax revenues, prices, administration, wages for labor, the market, and so on. The main content of the "Provision" is: Joint ventures are exempt from taxes for the first year; whereas taxes formerly were reduced by one-half the second year, tax exemption now extends to the second year; taxes are reduced by one-half for the third year, and the unified tax on industry and commerce is lowered; restrictions on the importation of machinery, equipment, and raw materials and on the export of goods have been relaxed; a portion of the domestic market is reserved for the products of Chinese-foreign joint ventures; the share of the domestic market will be enlarged according to the degree of sophistication of technology and equipment offered by foreign merchants and according to China's demand for products; some products may even be granted priority status on the domestic market; and the independent power of Chinese-foreign joint ventures is guaranteed.

The laws and regulations governing Chinese involvement in foreign economies are constantly being updated. Laws are currently being formulated for Chinese-foreign joint ventures, cooperative enterprises, and foreign trade. Last year China and FRG signed an agreement for protection of investments, and the two countries currently are discussing the signing of an agreement whereby each would refrain from imposing heavy taxes on the other. All of these have created an excellent investment environment in China for your country's entrepreneurs. In recent years China's leaders have stated on a variety of occasions and have reiterated many times that the policy of opening up to the outside is not coming to an end but rather will continue to be relaxed even further. In June of 1984 the Chinese Government decided to open up 14 coastal cities from Dalian in the north to Beihai in the South. Thus we invite your country's entrepreneurs to come to China to invest. The key industries in China that we especially invite investment in our extraction are smelting of non-ferrous metals and rare metals, new construction materials, and electronics.

I am confident that along with the steady development of friendly relations and mutual understanding between both countries, their economic and technical cooperation and trade will take on a new look.

12681

CSO: 4006/85

## SAARSTAHL MERGER, EC SUBSIDY ISSUE STEEL PRODUCERS

## Saarstahl-Dillinger Merger Possible

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 7 Nov 84 p 15

[Text] Saarbruecken 6 Nov--By the end of December, the "Schaefer Commission" in Saarland wants to have gained a preliminary view of what cooperation is possible between the continually distressed Arbed Saarstahl GmbH and the well-managed neighboring corporation of the Dillinger Metallurgical Works. Both enterprises are already working together in the joint production of pig iron and coke. What the Schaefer Commission is now trying to do--initially on paper--is to optimize the Voelkling production and company structure in cooperation with Dillinger on the basis of the existing installations. But without respect to the number of employees. It remains to be seen what cooperation will finally appear optimum to the commission. But it is already clear that no form of cooperation, including total merger, is being excluded from consideration.

The composition of the commission is too widely to allow one to discuss its work as mere mental exercises which, based upon current political decisions, are to be concluded prior to the 10 March elections for the provincial diet of the Saar. Sitting on the commission for the Luxembourg parent company Arbed S.A. are its president Emanuel Tesch and its general director Jean-Marc Lechter, for Dillinger Metallurgical Works chairman of the board Jean Lang and financial director Roland de Bonneville, and for Arbed Saarstahl the members of management Dr Hans-Georg Rosenstock and Dr Karlheinz Sauerhoefer. Chairman of the commission is Dr Manfred Schaefer, who just recently left the service of the Land's central bank, was twice economic minister for the CDU in Roesner's cabinet, and is doubtless a profound authority on the economy in Saarland. The commission has brought in Roland Berger, the Munich company for corporate consultation (FRANKFURTER ALLGEMEINE, 30 October). Berger is working independently of the McKinsey Commission, which is not likewise scrutinizing Arbed Saarstahl--although with a different function--at the suggestion of EC steel authorities in Brussels. Through McKinsey, Brussels would like to find out if Arbed Saarstahl can survive without help with EC steel subsidies ending at the end of 1985. Roland Berger and the Schaefer Commission are exploring closer cooperation between Saarstahl and Dillinger. But does not rule out the possibility that this group might come across other feasible cooperation in the course of its work, to which they would not, at this stage, close their doors.

Whether, to what extent, or even when the cooperative model that is finally worked out by the Schaefer Commission will be realized remains a decision of the owners of the companies. Since one must assume--with the well-known commitment of the government for Arbed Saarstahl--that the politicians can very well influence decisions in the Arbed concern, the actual decision on the acceptance of the new Saar model will be made in Dillingen.

Dr Manfred Schaefer has now explained to the Chamber of Industry and Commerce of the Palatinate in Ludwigshafen that precisely this metallurgical enterprise must be interested in a continuation or even a strengthening of the already-existing ties to Saarstahl (in the pig iron and in the coking company). Even though it is expected that Dillingen would survive anything that develops, it is in the company's own interest to consider seriously an intensification of the existing cooperation, declared Schaefer. If an "integrated total solution" in a single enterprise form were to come about, then the coal and steel site Saar would, in his opinion, be "more secure than before."

A disappearance of Arbed Saarstahl, on the other hand, would make this site so uninteresting and so insecure that even the development of Dillingen itself could be negatively affected. Whereas Saarstahl produces long products including mostly sectional steels, Dillingen, under majority control of the nationalized French steel company Sacilor, produces flat products that are more in demand. According to Schaefer, Dillingen, as a relatively independent member of this concern, has heretofore always been able to bring its own ideas to bear in company policy. That also explains its results that, with rare exceptions, have always been satisfactory. In the past, the fact that decisions on the future policies of the Dillingen Metallurgical Works were also made in Paris has, in Schaefer's words, "disturbed no one and has not had a critical impact on the results in Dillingen itself."

In his broad report on the structural problems of the steel industry, Schaefer pointed out that in the steel industry in Saarland in the 10 years from 1974 through the end of 1983, production and employment declined more sharply than in the FRG as a whole: namely, pig iron production down by 36 percent (FRG 24 percent reduction), crude steel production down by 40 percent (FRG 29 percent), and the number of employees down by 37 percent (FRG 29 percent).

The future size of employment that the report of the Schaefer Commission will propose depends upon the production structure conceived there. Reductions beyond the 14,500 workers still employed at Arbed Saarstahl are to be expected and are meanwhile also included in statements for the election campaign. Schaefer is convinced that the substance of the steel industry in Saarland is worth preserving. In his opinion, the subsidy competition will continue, albeit diminished, even after the end of 1985, when the aid provisions of the European subsidy code have expired.

#### Industry Seeks Subsidies End

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Nov 84 p 14

Duesseldorf, 13 Nov--The impression in the German steel industry is that at the end of November the EEC Council of Ministers could decide to extend the

subsidy period for the steel industry of the EEC beyond the end of 1985. One also has the impression that in the negotiations the Federal Government could deviate from the more inflexible attitude that it has shown in the last 2 years and make new concessions, principally to the Italians and French.

Before the end of the year in Brussels, the Italian and French governments ostensibly want to put through an increase in the subsidies to be paid for their steel industries. There is also a suspicion that these countries, probably supported by Great Britain, want to achieve an extension of the so-called operational assistance. These subsidies, which may be paid for the further operation of certain enterprises or plants, are only allowed until the end of 1984, whereas in general the subsidies expire at the end of 1985.

It has obviously now come down to the extremely unusual situation in which a government's own industrial branch must urgently advise it to remain firm against desires for further subsidies to be paid to precisely this branch. And, as talks during the recent ironworks day have shown, it has thereby become clear how unpleasant the case of Arbed-Saarstahl has become even for the steel industry, because the subsidies paid out in this case for the industry of the neighboring countries are gladly taken as an argument for subsidies that the steel industry itself receives or will receive.

It is said that in Brussels the Federal Government has spoken out clearly against an increase in subsidies prior to the expiration of the term. Bonn's no, on the other hand, is supposedly less firm in regard to the striving to extend the operational subsidies. There is the fear in the German steel industry that the European Commission could apply pressure to the Federal Government. Brussels claims that the partial-value write-offs on installations to be shut down are operational subsidies and therefore could not be granted after 1984. But since these partial write-offs are expressly intended for installations to be shut down, they are, in the judgement of the steel companies, definite "shut-down assistance" as provided for and allowed until the end of 1985 in article four of the subsidy code.

A letter has now come to light from the Iron and Steel Industry Economic Association to Frans Andriessen, member of the European Commission, in which the trade association demands information on payments contrary to the terms of the agreement by the Italian Government in the amount of 4.6 trillion lira (DM7.4 billion) to the state-owned steel company Finsider. Among other things, the trade association wants to know whether the commission--which has officially declared that the matter involves approved subsidies--has also instituted contract-violation proceedings against the Italian Government on account of these same subsidies.

The requirements that the commission has put on the steel companies in the EEC to limit their capacities have so far been observed in very different degrees. As can be gathered from Andriessen's answer to an inquiry by the Englishman Michael Welsh, the steel industry of the FRG has through the middle of the year deactivated 4.1 million tons of the 6 million tons of crude-steel capacity to be shut down. In the case of the French, it was only 0.84 out of 5.31 million tons, and it was only 0.78 of 5.83 million tons for the Italians.

## Free European Competition Urged

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 10 Nov 84 p 13

[Text] Duesseldorf, 9 Nov--As long as the subsidy race within the European steel industry is not ended, the German steel industry will have to continue to live with officially prescribed quantity controls. This was the prediction of Doctor of Engineering G. Th. Wuppermann, director of the Association of German Ironworkers, at the meeting of German ironworkers, the most important meeting of steel-industry technicians in the world. The wish for the future, according to Wuppermann, is that as soon as possible the free play of forces will again prevail rather than concepts of economic control.

Wuppermann expects that in 1984 the German steel industry as a whole will increase crude steel production by a good 9 percent over the exceptionally low level of the previous year to 39 million tons. Despite a recovery this year, prices are still under the level reached in mid-1982. In view of additional cost increases, that is very unsatisfactory. A better employment situation and higher prices were therefore insufficient to attain balanced results everywhere. To be sure, most companies are now in the black on a monthly basis. But it is probable, after the large losses in the first two quarters, that this improvement is not sufficient to bring the enterprises back into the profits zone for the entire year. It was not possible to compensate through rationalization for the cost pressure resulting from higher prices for scrap iron and energy.

Just in the last 10 years, according to Wuppermann, the German steel industry has shut down 13 sinter lines and 46 blast furnaces in the area of pig iron production, 92 Thomas converters and open-hearth furnaces as well as 14 older oxygen converters in the steelworks, and a total of 66 installations in the area of the rolling mills. Today the German steel industry still has a capacity of just under 55 million tons.

In accordance with the international standard for the modernity of steelworks, namely, the proportion of extruded-casting production in crude-steel production, the German steel industry, according to Wuppermann's report, is now second to Japan. The efforts are now directed toward developing the remaining, mainly difficult, grades for extruded casting. Wuppermann demonstrated the efforts of the German steel industry for better and better steel grades by indicating that easily the largest share of the steel grades now used in the FRG is no more than 7 years old.

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## COMPLEXITIES, CONFLICT MARK KRUPP-KLOECKNER MERGER EFFORT

## Australians Demand Bonn's Assurances

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Nov 84 p 15

[Excerpt] Duesseldorf, 19 Nov--The involvement of the Australian raw materials concern CRA Ltd., Melbourne, in the future joint steel venture of Krupp and Kloeckner is obviously not as self-evident as it may have seemed initially. In a conversation in Duesseldorf, Sir Roderick Carnegie, CRA chairman of the board, has now said that if the financial help of the Federal Government is not paid out in the expected volume and if the reduction in capacity that is considered necessary were to be prevented or impeded, then the CRA board of directors may not be able to justify to stockholders the commitment of DM525 million. The risk would then be too great, and CRA does not, as a general principle, invest its capital in deals involving heavy losses. If, however, the Federal Government does provide the aid as foreseen, and if, at the same time, the planned shutdowns do come about and also if the subsidy competition in the European steel industry ceases by the end of 1985, then the new company Stahlwerke Krupp-Kloeckner GmbH can work at a profit beginning in 1986. The CRA directorate wants to determine from the behavior of politicians in the coming months whether an Australian firm is at all welcome in Germany.

For the first time since the announcement of the planned merger, in which, in addition to Kloeckner (30 percent) and Krupp (35 percent), CRA (35 percent) also wants to participate, Roderick also provided details on motives and methods. They expect from the cooperation with the concerns Kloeckner and Krupp the transfer of new techniques for the enrichment of iron ore in their own country. By 1995, they want to be far enough along that CRA can export a growing part of its iron ore production not in the form of ore with 62 percent iron content, as before, but in the form of pig iron with a 97 percent iron content. The CRA's problem of location is in the fact that it, as a raw materials concern, has practically no domestic market, but all of its important export markets, especially Europe and the United States, are very far away.

## Bangemann Wants Deal Clarified

Duesseldorf HANDELSBLATT in German 14 Nov 84 p 23

[Article: "Minister Bangemann Wants to See Concepts That Can Be Tested"]

[Text] Bonn/Essen, 13 Nov--During a conversation at the Federal Ministry for Economics, Martin Bangemann, federal minister for economics, called upon board chairmen Wilhelm

Scheider from Krupp, Herbert Gienow from Kloeckner, and Robert Carnegie from the Australian raw materials concern CRA--who wants to be involved in the merged steel activities of Kloeckner and Krupp--to present concepts that are reliable and that above all can be tested.

The nine-page paper previously presented by Krupp and Kloeckner is not sufficient to permit the trust work to judge the soundness of the steel union and the Federal Government to provide, if appropriate, the corresponding subsidies. Until the firms clear up what they have in mind in detail--not least in regard to shutdowns of individual plants--Bonn cannot comment on a possible financial participation. But Bangemann likewise made it clear that the Federal Government will support the enterprises if the concept appears sensible and sound.

One can hear from the group of the three enterprises that took part in the conversation in the Economics Ministry that there could be no talk of negotiations. The conversation proceeded in a good atmosphere. It is clear that the letter announcing the intention to merge Krupp Steel and the Kloeckner Works with the inclusion of the Australian concern CRA had still not contained the detailed information that could be the basis for subsidy payments from Bonn. On the contrary, this detailed concept is currently being worked out with the necessary supplements and figures. This concept will include the information required by Bonn.

#### Land Governments Angered

Bonn DIE WELT in German 10 Nov 84 p 10

[Text] The plans of Krupp and Kloeckner have produced indignation in the Land governments of Lower Saxony and North Rhine-Westphalia. Hanover's Prime Minister Ernst Albrecht criticized in the provincial diet above all the timing of the letter to Federal Economic Minister Bangemann. The Land government has worked out alternative proposals to the plans to shutdown the site at the Georgsmarien Metallurgical Works, which provide for the preservation of at least the largest part of the 2,400 jobs.

In a conversation with directorate members of both enterprises, he and Economic Minister Birgit Breuel had submitted these proposals and arranged for further conversation. According to Ms Breuel, the proposals by Lower Saxony provide for supplementing the Georgsmarien Works with an installation for extruded casting.

In the words of Albrecht, the Land government is firmly determined to bring its entire weight to bear for the preservation of the steel site Georgsmarien Works. A substantial role in this connection is played by public aid in the framework of the merger. Albrecht let there be no doubts that the Federal Government has to stick with the location if the corresponding resources are forthcoming from Bonn. Otherwise, this will not be without consequences for the "relations between the Land Lower Saxony and the Federal Government."

And Prof Reimut Jochimsen, economic minister in North Rhine-Westphalia, has also made it clear in regard to the intended "merger of the frustrated," Krupp Steel and Kloeckner, "that the Land will not be in favor of merger bonuses." At the same time, he expressly warned against a "quota-sellout" whose victim would be the "economically intact enterprise" Wuppermann in Leverkusen with 1,000 jobs. He reminded that last year, in the case of the Land aid for the acquisition of Wuppermann, Krupp "made repeated and clear promises about the Leverkusen site."

At a press conference, Jochimsen appeared disturbed that a nine-page letter from the two steel concerns had, to be sure, reached Federal Economic Minister Martin Bangemann and "various newspaper editorial staffs" the day before but not the Land minister "primarily responsible for steel policy and the granting of steel aid in North Rhine-Westphalia."

In addition to his clear rejection of a pure merger bonus, the Duesseldorf minister emphasized that the Land can grant its steel aid only on the basis of sound enterprise concepts decided in an orderly manner. In accordance with the proportional participation in decision making in the coal, iron and steel industries, both enterprises must now inform their employees of the intended merger as soon and as comprehensively as possible.

#### Cartel Judgment No Threat

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Nov 84 p 14

[Text] Frankfurt, 13 Nov--The announced merger of the two German steel concerns Kloeckner Werke AG and Krupp Stahl AG will obviously not be frustrated by the existing law on free competition. To be sure, both enterprises are so large that they would be obligated by the German law against restraint of free trade to submit their merger proposal in advance to the Federal Cartel Office and thus they would also be subject to the possibility that the office could prohibit the merger. But in this case, it is not the German law on competition that is applicable but that of the European Coal and Steel Community.

According to Paragraph 101 of the German Cartel Law, German law on competition is not applicable to coal, iron and steel concerns when the Coal and Steel Contract includes special regulations. Its Article 66 is such a regulation. This article stipulates the conditions under which the steel merger is or is not approved. Accordingly, the plan is subject to compulsory advance approval. On request, the Competition Directorate of the European Commission in Brussels communicates in this connection: "We have received notification of the plan and are examining it." But the examination will take some time yet.

The merger will be allowed when the commission establishes that it does not permit the new enterprise to determine prices in a "significant part" of the steel market, to control or limit sales, or to "hinder true competition." None of this, to be sure, is currently possible for any steel concern in the European Community, for the joint steel market is tightly regulated with production quotas and regulations on minimum prices; "true" competition, then, is already prevented there anyway. To be sure, the commission refuses to go ahead and

confirm that it will probably permit the merger, but there is no doubt among experts about the approval.

Parts of the merger plan, however, are subject to German competitive law. In this respect, according to Wolfgang Kartte, president of the Cartel Office, it could come to two separate decisions--one in Brussels and one in Berlin. To be sure, there have already been several cases in which the competitive law of the FRG as well as that of the European Coal and Steel Community were affected, but there have never yet been separate decisions. Certainly the German controlling share in the Kloeckner-Krupp steel merger is only a "little piece" relative to the affected sales, as Ernst Niederleithinger, vice president of the Federal Cartel Office, stated in response to an inquiry; the "giant piece" falls into the area of responsibility of the Coal and Steel Community. But the Cartel Office has also not yet finished looking into the matter.

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## FIGURES POINT TO INCREASE OF MERCHANT FLEET STRENGTH

Athens TO VISA in Greek 16 Nov 1964 19

[Article by S. A. Athanasiou: "Greek fleet's share of world total increases. Still in third place"]

[Text] In the first quarter of 1964 the Greek fleet's share of world shipping increased, compared to December 1963. According to figures from the Institute of Shipping Economics in Bremen, on 1 April 1964 the Greek fleet made up 8.21 percent of the world total, compared to 8.06 percent in December 1963. It stayed in third place, after Liberia and Japan.

Moreover, according to figures from the Union of Greek Shipowners, the percentage of Greek-owned shipping increased also; from 12.5 percent of world shipping in 1961, it had risen to 13.28 percent at the end of 1963.

In 1961 the Greek-owned fleet counted 54,317,772 gross tons, while in 1963 it had risen to 56,138,752 gross tons. As the Greek and Greek-owned fleet's share was rising, however, the world total was decreasing in 1960-1964. On 1 April 1964 the world total was 31,236 ships of 380,569,909 gross tons, compared to 33,969 ships of 385,225,761 gross tons on the same date in 1961.

On the same date the US fleet represented 22.27 percent of world tonnage, compared to 22.7 percent in 1963 and 26.06 percent in 1961.

The Greek fleet made up 38.4 percent of the US fleet in 1962, and in 1964 it was 39.1 percent, according to figures from Lloyd's Register.

The OECD countries account for 43.7 percent of world tonnage, the flags of convenience for 29.77 percent, the socialist countries for 5.04 percent, and the developing countries for 15.66 percent.

The Cypriot fleet was 20th, with a 1.25 percent share of world shipping, while Turkey was 26th, accounting for 0.74 percent of world tonnage.

Meanwhile, the Greek fleet numbered 2965 ships on 14 November, while 27 ships were removed from the Greek register in the first 10 months of 1964 and 19 were entered there. Of the 327 ships removed, 302 were sold to foreigners, 11 changed flag, and 41 were sunk, destroyed, or broken up. Greek tonnage was reduced by 2,784,537 gross tons in that period.

In conclusion, we can say that despite the world shipping crisis and the shrinkage of the Greek fleet, Greek shipping (including Greek-owned) not only has kept its place among the three largest in the world, but has actually increased its share in the world total.

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## BRIEFS

AGRICULTURAL COOPERATION WITH ISRAEL--A protocol on agricultural cooperation will be signed in 1985 between Greece and Israel. The two sides aim to broaden their cooperation in exchanging information on agricultural production, marketing, and trade. Greece has already expressed an interest in information on irrigation, irrigation works, preservation of citrus fruit by natural means, and feeding and reproduction methods for goats and sheep. During the visit to Israel last week by experts from the Ministry of Agriculture, Israel expressed an interest in supplies of Khios-type goats and sheep and in training Greek agricultural experts. The Ministry of Agriculture is to hire some 300 agricultural experts, who will have to receive advanced training in modern methods of agricultural production. Israel suggested it train them (without prejudice to the final decision of course). According to reports, Greece will propose to broaden cooperation on irrigation, green-house diseases, and cross-breeding goats and sheep, since Israel has made great progress in these three areas. [Text] [Athens TO VIMA in Greek 20 Nov 84 p 12/ 12593]

COOPERATION AGREEMENT WITH CZECHOSLOVAKIA--Lignite Gasification Plant Being Set Up. In Athens Mr. Sofoulis, president of the administrative council of AEVAL [Greek Nitrogenous Fertilizers Industry, Inc.] and director of ETVA [Hellenic Industrial Development Bank] and Mr. Okuchta, president of the Czechoslovak organization Technoexport, signed a general agreement on the establishment in Greece of a lignite gasification plant. The signing of the agreement sets the parameters within which the two sides will cooperate to bring about the gasification investment. It should be noted that the preparatory work for this technical/economic bid was preceded in Czechoslovakia by an industrial test of gasification on 5000 tons of a mixture of Greek lignites from the lignite mines of Northwest Makedonia. In addition, Greeks and Czechs have already exchanged opinions and worked together. According to the text of the general agreement, within 8 months from when the Czechs submit their bid, the Greek side is to complete its technical and economic evaluation and announce its decision on whether or not to carry out the investment with the Czechs. The primary goals of the investment stem from the need to make the Greek fertilizer industry viable and can be summarized as follows: to gasify lignite cheaply to provide the raw material for ammonia production at an internationally competitive price; to make the best possible use of domestic lignites, which will serve as the raw material for the plant. [Text] [Athens I VRADYNI in Greek 19 Nov 84 p 12/ 12593]

CSO: 3521/97

## IN-DEPTH ANALYSIS OF SPAIN'S 'STICKING POINTS'

and competitive

[Drafted by the Economic Community]

[Editorial note: This is a summary of the CMOE Economic Committee.]

[Text] A little more than a month before the theoretical date set for the final round of negotiations for Spain's admission to the European Economic Community (EEC), seven items are still pending to conclude the matter. Figuring prominently among them are agriculture and fishing, which are the ones that are currently creating major problems, along with social affairs and the rate at which tariffs and duties are to be eliminated. In the meantime that ABC is today offering its readers, they will find opinions on the negotiation process and on the possible effects of joining the EEC on food-growing sectors as important as dairy products, pork, wine and fats, protection of affluents from these sectors. Articles by Jose Luis Lopez, Manuel de Busturia and Isabel Ugalde [omitted], well-known specialists in such problems, are also included. And finally, the review... and a summary of the current state of the negotiations.

For years now the [Spanish Confederation of Business Organizations] has been constantly issuing messages concerning Spain's entry into the European Communities. Always positive, the messages advocate integration, but at the same time they insist on the need for taking certain precautions before doing so.

The first of these precautions is obviously that the transition period be sufficiently long and that, in addition, the advantages to be gained and the sacrifices to be made during it appear to be well balanced for each of the two parties in the industrial as well as in the farm and livestock and fishing sectors or in the free circulation of workers.

But a long and balanced transition period would not in itself alone be sufficient. The heart of the matter lies in the fact that during such a period we see to it that at the end, when there is free circulation of goods and services

between Spain and the rest of the EEC, our economy is not impaired as a consequence of the free entry of the products of other member states into the Spanish market.

To achieve this, there is only one possible formula, not an easy one to apply, and that is to make ourselves more competitive.

We businessmen see this problem of integration into the European Communities in terms of the delicacy that is natural to us. And consequently, while we do not lose sight of the political aspects of the matter, we are above all affected by the consequences it can have for our production machinery.

We therefore insist that it would be rash, even absurd, to attempt to enter a domain of highly competitive countries without having as much in advance as possible adopted those measures necessary for raising our levels of competitiveness close to those of these countries.

Everyone agrees that an immediate elimination of the obstacles to free circulation between Spain and the "Ten" would destroy our economy. Now, we must say that it would also be destroyed if there were to be a total elimination of obstacles not suddenly, but at the end of a transition period, no matter how long it might be, if we had not by that time considerably raised our current levels of competitiveness.

Everyone knows that these are low today. That is not a point we have to emphasize. What we do have to emphasize, on the other hand, is the imperative need for eradicating those factors that detract from the efficacy of our production machinery before it is too late.

Since its creation, the CEOE has been relentlessly crying out for this, even though it sometimes seems to be doing so in the wilderness.

The first thing we said is something that cannot be more obvious: We must increase our investment in production. Only in this way will we succeed in being more effective, more competitive. And only in this way will we create jobs. This orientation has constantly provided the inspiration for our positions in the recent negotiations for the Economic and Social Agreement. An orientation, moreover, that coincides with what the prime minister suggested when he raised the idea of the accord and also coincides with the recommendations the European Communities themselves have made to us, alarmed as they are by the impact integration may have on us.

But investments bear fruit only after a longer or shorter time, depending on whether more or less long-term investments are involved. And meanwhile, as a minimal requirement, we have to eliminate those factors that artificially increase the production costs of our goods, which deprive many of them of the chance to compete on a free market.

There are several of these artificial obstacles to competitiveness, but some of them are particularly notorious. I would also say that they are especially harmful to the country's general interests, properly understood.

Thus, for example, the financial mess the public sector is in, a sector that is creating a very serious deficit for a country as short of capital as ours is. The tremendous drain the government exerts on the financial and capital markets to through them finance its deficit explains why money for investments is getting scarce. So scarce that its price is considerably lower [as published] than the average price in the present Common Market member states. Starting with a situation like this, to attempt to be competitive is unreal.

Another obstacle to investment and the achievement of an acceptable level of competitiveness for our products stems from the peculiar way we Spaniards have of financing the Social Security System. Here, the burden of financing falls essentially on business, inflating production costs in comparison with those of the business enterprises of the Ten. Because in the latter countries state contributions to social security, on the contrary, normally represent amounts much lower than that entailed in Spain in terms of the percentage of the total expenditures for social security. At the same time we must control these total expenditures so that they do not excessively increase.

And lastly, we will be unable to compete with our products as long as outdated and extremely rigid labor laws continue to interfere with each firm's need to adapt to the changing circumstances of a constantly and rapidly evolving economic picture. Our labor laws are an obstacle to competitiveness and the creation of jobs. Let us hope that they will be quickly modified to approximate Community "standards" in the more or less precise way provided for in the recently signed Economic and Social Agreement.

Therefore, yes to joining, but after tossing overboard the ballast that is keeping our economy from being updated and occupying a competitive position.

#### Zero Tariffs

Madrid ABC in Spanish 28 Nov 84 p 52

[Article by Daniel De Busturia]

[Text] Spain is going to become a member of the European Community on 1 January 1986 and Spain's economic space will begin to be governed by Community rules. The "acquest" or common Community property, the rules adopted by the Community since it was founded, will have to be assumed by Spain.

The Customs Union and the common commercial policy constitute one of the key elements of the "acquest." The secret and the challenge of the liberalization of trade with which Spanish enterprise is going to be confronted are to be found in the ways in which they are extended and applied.

The fundamental aspects of the Customs Union and the trade policy Spanish enterprise must contemplate involve the total elimination of customs duties in trade between Spain and the Community, the replacement of the present "erga omnes" [the same for all] Spanish import tariff in order to introduce in its stead the one in effect in the European Community and Spain's compliance with the Community's external trade obligations. In other words, the extension to Spain

of the Community Customs Union and the customs union which will enable European Community products to enter the Spanish market without our being able to impose other restrictive measures. In any event effect or obstacles quota-like in nature, especially for agricultural products from countries with which the Community has signed preferential, preferential or free trade agreements will also enter the Spanish market, frequently without any or sharply reduced duties.

Any customs union is, on the other hand, based on the principle of uniformity of the tariff protection of the territory it covers. By virtue of its customs duties currently imposed on third countries by Spain, which are considerably higher than those of the Community, will be reduced to the level of those imposed by the EEC.

Joining the Community therefore means accepting the free liberalization of trade with its member states, while allowing Spanish industry's present level of protection vis-a-vis the rest of the world, including the most highly industrialized countries like Japan or the United States, to be considerably lower than it is at present. Hence the fears expressed by the Spanish business community. Thus the need for a reasonably prolonged period of transition so that the gradual and ultimately total dismantlement of tariffs, as concerns the Community, the assumption of gradual and ultimately total dismantlement of tariffs or very preferential tariffs as concerns associate countries and the reduction of Spain's "erga omnes" customs duties until they achieve parity with those of the Community do not lead to the collapse of Spanish enterprises or prompt movements to stop investing in production, which would increase unemployment. Hence too [the need] for obtaining an overall balanced agreement so that the balance of advantages and disadvantages will not be unfair.

In the course of the negotiations many formulas for the dismantling of Spain's import tariffs have been studied without there having so far been any definitive ways of doing so. Spain is trying to obtain a term of 7 years with initially slow and later faster dismantling. Spain's negotiators have also indicated their readiness to consider a tariff dismantlement -- referred to as "off the top" -- for duties of over 25 percent of value. The Community would initially insist on a very rapid dismantling of Spanish customs duties. When the idea of taking it off the top was introduced, products at the list were those products that were of most interest to each state, but without arriving at a Community-internal accord on the matter since, for example, the products the United Kingdom wanted Spain to speedily remove protective tariffs from -- automobiles, among others -- were of no interest to France because that country has powerful interests in Spain's production sector.

The European Commission is currently working on a horizontal solution consisting of the establishment of a horizontal method of dismantling in 4 or 7 years accompanied by another tariff reduction system in 4 years time for the higher group of Spanish duties that exceed 25 percent. They propose still the principle of solely linear dismantling.

Negotiations are not over yet. In any event, there is a need to examine its future and it would be advisable for the administration to carefully study



about those measures that will prevent our joining the Community from being ingenuous. Because it is disturbing to observe the sluggishness evident in the introduction of ratification systems, for example, or the contradiction of wanting to promote an electronics industry and at the same time granting import licenses at "piratical prices" to scarcely orthodox marketing companies.

The time has come to seriously prepare for the liberalization of trade that is to begin on 1 January 1986. It is time for close internal coordination of the economic departments to keep from creating malfunctions. It is time for the total involvement of the business world, not only in the final negotiation phase, but to design those regulatory and legal protection measures that will permit us to approach with guarantees and without ingenuousness a process of liberalization that is much stronger than the 1959 stabilization plan.

### Spanish Wines and Liquors

Madrid ABC in Spanish 28 Nov 84 p 54

[Article by Juan Antonio Mompo Ochoa]

[Text] Telegraphically speaking, we may assert that, for the wine-growing sector to survive within the framework of negotiations with the EEC, the following are inadmissible:

1. A 50-percent reduction in duties on the replanting of vines, applied indiscriminately in all areas (some of which show a deficit, like Rioja).

The Community may not apply measures to itself and to Spain that are different. If this should be approved, a large part of our wine-growing potential would disappear (bear in mind the advanced age of the Spanish vineyards) and, having stopped cultivating fields which, due to the amount of rainfall they receive or their makeup, are unsuitable for crops other than wine grapes, we might be faced with the paradox of becoming importers of Community wines.

2. Toleration of the "cutting" of Spanish white and red wines.

It appears that the possibility of allowing us to maintain the "cutting" of white and red wines during the period of admission has been discussed. This would appear to be a gift on the part of the Community, but it is obviously a poisoned gift because at the same time they add that, while "cutting" will be allowed, no Spanish wine may be blended with a Community wine and the majority of the wines we could initially sell to the Community would be red wines. And through this Community maneuver, not only would we not export another liter more, rather quite the opposite might happen.

3. Continuation in large areas of the EEC of the authorization to irrigate vineyards and drain them, while in Spain both practices continue to be banned.

Community legislation is fundamentally adapted to its needs and obviously on land with a high level of rainfall and which produces wines with very little alcohol they drain, and on land where there is insufficient rainfall they



irrigate. It is not right to apply the law fraudulently. Faced with surpluses, it would perhaps make sense to ban irrigation and drainage, but never to ban irrigation and go on draining.

4. Declassification of some Spanish wines (Inverado, Chacoli) as "table wine" because they do not come up to the minimum alcoholic content.

5. A minimal acidity of 4.5 degrees per liter for wines, which may pose problems of quality for some wines (for example, those of Alava Rioja).

6. Limitations on the natural alcoholic content of the wine to 15 or 17 degrees under certain conditions.

It is obvious that Community legislation is tailored to its needs. There would be serious problems in the marketing of some of the magnificent wines of Alicante.

7. Sherries. A very negative effect would be produced if protection of the designation of place of origin, "Jerez-Sherre -Sherry," were not complete and the Community did not agree that the word, "sherry," could only be employed for wines so-designated, therefore excluding "British sherry" and "Irish sherry."

8. The "compensatory sums for admission," a system by means of which they gradually go on adjusting the price differences of wines during the transition period through taxes that will have to be paid on Spanish wines when they are exported to the other EEC countries and price supports that will be received for the wines of the other EEC countries when they are exported to Spain.

The setting of comparable prices, the system for establishing them and the staggering of the approach to them over the length of the transition period can have major negative repercussions on the Spanish wine-growing world on the domestic as well as the export markets.

9. Brandy. We start out on the basis of the following: Any negative effect on brandies will have an enormous influence on the domestic market for ordinary wines, since approximately 500 million liters of wine a year are distilled in Spain for the production of brandy.

The following issues are of very special concern to the brandy sector:

a) A European regulation plan for alcoholic beverages (brandy among them), the characteristics of which are not adapted to the conventional methods of manufacturing brandy, since this region is the world's -- and, of course, Europe's -- biggest producer of brandy.

b) A current indefiniteness in Spain's policy governing future subsidies for wine-distilled liquors, a policy all the countries of the Community are following to protect their respective local products (up to now there has been a special tax in Spain -- a regulatory tax -- on liquors distilled from molasses, a tax that tends to bring the prices of these liquors up to those distilled from wine. But this levy will surely disappear (with integration into the EEC).

If the disappearance of the tax is not accompanied by a system of subsidies for wine-distilled liquors, the following effects will be produced:

Competition under unequal conditions with products not made from wine due to the smaller (or larger) profit margin that those who use lower quality alcohols can apply.

Also unequal competition with products made from wine that cross our borders, since these will be employing a raw material that is subsidized in the countries where they are produced (basically French, Italian and German brandies).

#### Olive Oils, Other

Madrid ABC in Spanish 28 Nov 84 p 55

[Article by Domingo Soto]

[Text] 1. Olive Oil

It is of vital importance that the Community production and consumption subsidies existing today in the EEC be maintained and that they be applied to Spanish olive oil from the start of the transition period.

#### 2. Oleaginous Seeds

2.1. Sunflower Seeds. The cultivation of oleaginous seeds in Spain has attained such economic importance from both the agricultural and seed-pressing industry point of view that it must be very much taken into consideration by the Spanish authorities in the negotiations with the EEC on edible fats and oils.

Especially if the EEC should attempt to assume some production figure in an attempt to limit the crop or the subsidy that would be due Spain at the time in application of the Community's policy governing its own oleaginous products. Because in Spain the land area devoted to this sector has for several years now been in excess of a million hectares.

Another issue is the fact that yields have been low because of adverse weather conditions. The important thing is to recognize the potential Spain's dry areas offer in terms of this crop.

And that during this 1984-1985 season it has resulted in a cultivated land area of over 1.2 million hectares with an anticipated harvest of over a million tons.

It is very necessary to bear in mind that the usual weather conditions in Spain's dry areas make it indispensable for us to rely on a large land area so that, with some yields that are not as constant as those of other EEC countries with more consistent weather conditions, we may succeed in obtaining harvest which will on the average as a minimum provide us with self-sufficiency.

For these reasons of irregularity in production, it will be necessary for us to assign a seed-import quota of at least 25 percent of the national harvest for the membership period.

And that, in any case, any oil shortage will always be covered by seed imports to ensure sufficient utilization of the national processing industry.

## 2.2. Other Oleaginous Products

It would be well for us to bear in mind that the above-mentioned land area involves the chief crop, sunflowers.

And that, furthermore, other oleaginous products and seed oils are produced in Spain, which, while in small quantities, provide a solution for land and farmers and for other farm crops and which should be taken into account in the negotiations. We are referring to: saffron, covering an approximate land area of from 25,000 to 30,000 hectares and with a production volume, under normal circumstances, of between 20,000 and 25,000 tons; rape, covering a land area of between 20,000 and 25,000 hectares and with a production volume of from 18,000 to 23,000 tons; cotton, with a cottonseed production volume of between 50,000 and 60,000 tons, also in seed.

Without forgetting the experiments and the expectations lupine, at present under experimental cultivation, may offer us.

Seeds which, taken as a whole, add up to a respectable production volume, and doubtless one much higher than the total seed production of some countries that are now members, like Greece, Great Britain or even Portugal, which is in the midst of negotiations similar to ours.

## 3. Seed Prices

It is of vital importance to take into account the fact that in Spain the price guaranteed the farmer (contractual guarantee) has no equivalent among EEC guaranteed and controlled prices.

Because in Spain the farmer is limited to gathering the seed and delivering it to the processing plant in the municipal district itself, in accordance with the regulatory decisions of the company, since it is the latter that finances the operation right from the start of and throughout the harvest season and dries, stores, hauls the seed from the fields, etc., which is why they have had to introduce a whole infrastructure of installations and human teams of a clearcut agricultural nature, whereas in the EEC services and investments are handled by the farmer or farmer associations and/or middlemen.

We can calculate that the cost of such services will exceed 25 percent of the value of the seed (referring to the Spanish guaranteed price). Not even the EEC's controlled price, much less so its index price, compares with the contractual guarantee price in Spain. Because the last-named is the minimal price to be obligatorily paid to the Spanish farmer for his seed and in his municipal district.

While the Community's controlled price is for seed that has already been stored, dried, warehoused and placed at the disposition of the EAGGF.

hence, any matching of the Spanish contractual guarantee price with the Community's controlled and index price levels will require a substantial increase in the Spanish price because of the services inherent in the storage that the Spanish farmer does not provide.

It is also well to take into account the fact that the basic quality of Spanish seed is 2-8-41, while that of the Community is pegged at 2-9-42.

And that during the last few seasons Spanish regulations have been allowing the Spanish farmer a certain lowering of the quality of the seed.

#### 4. Approaches for the Membership Period

The oils and flours obtained in Spain from Spanish oleaginous products are subject to the following tariff regulations:

Oils: state trade, a tariff of 16.5 percent.

Flours: free trade with tariff protection for flours from anywhere (including the EEC), a tariff of 1.8 percent and an ICGI [Domestic Assessment Compensation Tax] of 6.5 percent.

Judging from the documents that have emanated from the EEC, they are trying to reduce the tariff on oil from the current 16.5 percent to 10 percent for non-EEC countries and to zero for Community countries.

And for flour a total dismantling as regards the EEC with a duly justified possibility of establishing restrictions for non-EEC countries.

All this must be contemplated in a global context, through which reciprocal compensation in the form of the supports planned [to make up the difference] between the guaranteed prices for Spanish seed and the international prices will be simultaneously obtained.

#### 5. Consequences of the Parallelism of Spanish and Portuguese Membership

Portugal suffers from a very large shortage of oleaginous seeds, on the order of from 250,000 to 300,000 metric tons a year of sunflower seeds alone. At the same time Spain may have a surplus, in addition to the fact that during Spanish seed harvests general surpluses in terms of big financial savings of all kinds may be obtained, surpluses that are unloaded in the form of exports to Portugal to be repaid at the end of the season through equivalent imports or the necessary settlement.

Therefore, in the course of negotiations between Portugal, the EEC and Spain it ought to be considered very important for us to contemplate opening the Portuguese border to Spanish oleaginous products simultaneously with opening it to actual EEC members.

Madrid ABC in Spanish 28 Nov 84 pp 56-57

[Article by Cesar Lumbreras]

[Text] Nine of the 16 titles into which the negotiations with the European Community are divided have been dealt with.

On 28 July 1977 Spain submitted its application for membership in the EEC and, since 5 February 1979, the date on which negotiations began, a total of 9 of the 16 titles into which the negotiating process is divided have been dealt with. In March 1982 they completed discussion of the titles designated as: "Capital Movement," "Coordination of Legislation," "Shipping," "Economic and Financial Questions," except the one relating to the European Monetary System which will be decided on after membership, "Regional Policy" and "Freedom to Establish Businesses and Provide Services."

In June 1983 agreement was reached on the mode of taxation title. According to the provisions of this title, Spain will apply the value-added tax (VAT) on acquiring membership and will have 4 years time to adapt its tobacco tax structure. Last December the "EURATOM (European Atomic Energy Community)" title was agreed on. And finally, in April of this year, discussion of the "Patents" title was concluded.

There is still a total of seven titles to be agreed on, some of which are very controversial: "[each member's] Own Resources and Institutions," "Agriculture," "Fishing," "Social Affairs," "Customs Union," "European Coal and Steel Community (ECSC)" and "Foreign Relations." Still to be negotiated are also other important issues like the Canaries and producer trade, which closely involve EFTA.

The titles on which agreement has been reached up to now and their most important aspects, because of the greater effect they will have, are the following:

#### 1. Right to Establish Businesses and Provide Services

The transitional measures established under this title are the following:

**Banking:** Spain will have a transition period of 7 years to liberalize the number of agencies in our country and for the banks of the Community countries to acquire foreign resources in the domestic market.

**Insurance:** In this sector there will be a transition period of 6 years for the application in Spain of Community standards in coinsurance matters. Prominent among the advantages we will be able to substantiate in a massive way is elimination of the obligation to present the Green Card.

**Liberal professions:** There will be a transition period of 5 years for the creation of the profession of dental specialists in Spain.

## 2. Regional Policy

Under this title, when it becomes a member, Spain will enjoy all of the benefits of the Community regional policy in conformity with a specific agreement in which the Community recognizes Spain's particular features. Its consent to apply said regional policy under very favorable terms is also expressed in the above-mentioned agreement.

## 3. Capital Movement

Under this title Spain has obtained a number of temporary waivers for certain investments that are made outside the country by individuals or corporations, Spanish as well as Community, but residing in Spain.

## 4. Shipping

Under this title, which does not include either air or sea freight, Spain will receive a temporary waiver of 1 year for shipping companies to adapt their commitments, which are based on the notion of public service. A transition period of 4 years has also been granted for the installation of control devices called tachographs in transport vehicles.

## 5. Economic and Financial Questions

Under this title an accord has been reached for the Spanish peseta to become part of the ECU [European currency unit] "basket" at the first revision of the latter that takes place after obtaining membership and in any case within 5 years of acquiring said membership.

## 6. Coordination and Passage of Laws

Spain will receive temporary waivers for the reduction of the lead content of its gasolines and for the formulas for manufacturing certain kinds of chocolate (so-called beverage chocolate) commonly consumed in Spain.

## 7. Mode of Taxation

Negotiations on this title were also concluded with Spain's acceptance of a pledge to introduce the VAT as of the date it acquires membership. A concession has been obtained with regard to this tax for those firms whose sales volume does not exceed 10,000 ECU's. As concerns the tax structure for processed tobacco, a transition period of 4 years has been obtained for equalization of the handling of taxes on cigarettes made of black and of blond tobaccos.

## 8. EURATOM

According to the agreement reached under this title, Spain will become a member of EURATOM without having to sign the Nonproliferation Treaty (NPT).



## 9. Patents

This is the last title on which negotiations have been concluded. According to the text agreed on, Spain will apply [EEC] patentability [regulations] for chemicals and pharmaceuticals as of 7 October 1992. Several different transition periods have been established in the document for application of the reversal of the proof tas and formalities prior to the judicial decision on the verification of the facts for procedural patents, as well as for the freeing of similar exports from restrictions. They have chosen the date referred to above as the decisive date for scheduling these transition periods.

What has been agreed on under this title is of vital importance, especially to the chemical and pharmaceutical industry. The titles in which negotiations on several points are still pending or on which they have not yet entered into negotiations are the following:

### Pending Titles

#### 1. Agriculture

Up to now this has been one of the most controversial titles. From the Spanish point of view, the most important issues are the list of products that Spain considers to be sensitive and the procedures for controlling imports of same. The Spanish list of sensitive products covers dairy products, some grains, beef and pork and sugar.

Also still pending in terms of negotiations are Community preferences for Spanish fruits and garden vegetables and, above all, the fact that Europe does not consider citrus fruits to be sensitive products and, consequently, they may not set any limitations on Spanish exports of these products. With regard olive oil, a prompt Spanish reply is expected, since at the last negotiating session the EEC issued its paper making clear its position. The same is not the case with wine, a product on which the Community has not yet made an official statement. And lastly, the resolution of various products of a sectorial nature relating to processed farm products is pending.

#### 2. Fishing

Negotiations on this entire title are still pending. The most controversial topics are the initial Spanish quota, all the problems stemming from the establishment of licenses, to which Spain is opposed, historic Spanish rights in the French and Portuguese 12-mile zones, the continuation of Spanish bilateral agreements with third countries and the situation Spanish joint companies involving third countries will be in.

#### 3. Social Affairs

The most controversial aspects of this title are the length of the transition period until free circulation of workers is attained and the treatment applicable to Spanish workers who have settled in [other] Community countries.

Since the issuance of the last Community paper, an event that took place at the last negotiating session, Spain has already presented its counterproposal. In it it requests that Spanish emigrants residing in the EEC receive the same treatment as those of the Community countries from the conclusion of the negotiations until Spain becomes a member of the EEC. On the contrary, the Community delegation set the date of membership for this equal treatment of Spanish emigrants to go into effect.

#### 4. European Coal and Steel Community

The most important issues pending here have to do with the process of reestablishing the steel industry through which Spain is at present going and the restrictions on the exporting of scrap iron to Spain.

#### 5. Customs Union and Free Circulation of Goods in the Industrial Sector

The duration and intensity of the transition period are still under discussion. While Spain requests that the pace be slower at the start and faster at the end, The Community countries are partisans of the opposing plan. The EEC delegation also feels that the duration of the transition period should be 6 years and Spain, which at first requested 10, is ready to set it at 7.

#### 6. Foreign Relations

With regard to this title, those points relating to the trading of sensitive products with the CEEA, the policy applicable to Andorra and the joint declaration on Latin America are still open. Also to be negotiated is the provisional policy to be applied to trade with Portugal, a country that will theoretically be incorporated into the EEC at the same time as Spain and Greece, the last of the countries to be integrated into the EEC.

#### 7. Own Institutions and Resources

The sectors relating to institutions and Spanish representation in the European organizations are now in the final phase of negotiation. The same is the case with the section on [each member's] own resources, in which Spain's contribution to the Community budget during the transition period is specified.

However, the content of this title poses no undue difficulties for the time being and, just as has happened in earlier developments, the conclusion of the whole process will be negotiated.

At the present time the negotiations on the Canaries issue and the special policy that is to be established for the archipelago pose a special difficulty. In the latest report prepared by the European Commission liberalization of tariffs is included and the islands are exempted from application of the VAT.

On the other hand, the Canaries could take advantage of some of the aid programs of the different funds existing in the EEC. A conference was recently held between Secretary of State for Relations with the EEC Manuel Marin and the head of the autonomous government of the Canaries to discuss the matter. We are

however, stress the fact that the Community's position is not final, since the governments of the member countries have to study it and formulate the summations they consider to be appropriate.

Spain is continuing its study of the commission's report to prepare a counter-proposal that will keep the archipelago from being damaged through Spain's membership in the EEC.

Negotiations on the farming and fishing factors that will affect Ceuta and Melilla are also pending.

During the final weeks, negotiations between the Spanish and EEC delegations have been continuous, although they have not produced the hoped-for results, judging from the latest news that has arrived from Brussels. The number of Spanish technicians has considerably increased during the period of time in which they have devoted themselves to "poking about" in the technical aspects of the situation which are still pending.

As for Manuel Marin, he has spent the past 2 weeks in a constant coming and going from Madrid to Brussels and vice versa. The Spanish ministers involved in the negotiating process have also traveled in accordance with a plan worked out beforehand by the Spanish president. In diplomatic circles they do not rule out a tour soon by Prime Minister Felipe Gonzalez of certain European capitals.

#### Hog Problems

Madrid ABC in Spanish 26 Nov 84 p 58

[Article by Fernando Pascual, the secretary general of the Spanish Association of Meat Companies (ASOCARNE)]

[Text] We are now up against a technical stumbling block in the negotiations, owing to which it is hoped that the stalemate of the NATO issue will be broken at the next Socialist congress or that a basic agreement has not yet been reached among the Ten on the wine issue, or both at the same time. It is obvious that, insofar as earlier difficulties are overcome, they would like to step up the pace of the negotiations to conclude them by February 1985 with the goal of ratifying the treaties during the 10 following months and then be able to have them go into effect by the planned date, 1 January 1986. The government is very interested in this for reasons of legitimate electoral prestige.

Consequently, each sector should analyze the degree of progress of the negotiations in its domain from the earlier perspective, since it is easy to conclude that those negotiations that are today farther behind will end later; they will end in a situation in which our negotiators are more nervous and they will readily turn into an article of trade dangerously manipulated by the interests of the politicians.

Now the negotiations on the hog issue (20 percent of final agrarian production) are far behind. Community negotiators have not even at this juncture yet

acknowledged the opinions expressed by our officials as to the sensitiveness of the sector, opinions based on the African hog plague which, as far as its economic effects are concerned, will probably act like a semipermeable pest-control membrane since it will permit trade from the EEC of the Ten to Spain but not from Spain to the EEC, with a subsequent increase in the supply in our country, which will be unable to seek a rebalancing of the trade on foreign markets: a constant depression of hog prices and a resulting traumatic disappearance of this kind of livestock with grave, simultaneous crises in the activities of the slaughterhouses, meat industries and cutting rooms, feed plants and also in barley grain production,

In not recognizing the special sensitiveness of the sector, the Community will not allow the measures for a specific transition that have been requested in order to have a harmonious and hitch-free transition. They want to force us into a transition of the "classic" kind, with a gradual dismantling of tariffs and free circulation of goods right from the start in a country which, in addition to the African hog plague issue, will on 1 January 1986 inaugurate the demolition of the present state trade policy, which, like a sort of opiate, has prevented a confrontation of the meat and livestock sector on foreign markets and has turned some of our country's officials into wholesale meat dealers.

In conclusion, it is imperative and of far-reaching importance for the future of the hog industry to loyally cooperate with our negotiators and rearm them with new arguments so that the sensitiveness of this sector may be recognized at the next negotiating session. This cooperative effort should be realized by all the sectors involved and the OPA [expansion unknown] should address this issue. Let us hope that our officials deign to at least listen to new ideas, abandoning the cloak of secrecy under which they have been operating up to now.

The Spanish negotiators have argued the sensitiveness of the hog sector, pointing out "that the existence of health problems in parts of Spain means an additional production expense for hog farmers because of the strict health practices they must adopt. In connection with this, Spain is performing the basic function of a health barrier for the Community to avoid the advance of these health problems."

In response to these arguments which we have to humbly admit are flimsy ones, the Community countries have finally told us that the health aspects of the situation should not be mixed with the economic aspects, that they are two different classes of things, that we demonstrate to them the sensitiveness of the hog sector on the basis of economic reasons while neglecting the health reasons, that in the event of a drop in price on Spanish markets for reasons attributable to the veterinary issue the support measures provided in the Common Market Organization would immediately be adopted. They also invoked this dangerous precedent: "The Community remembers that a similar situation involving isolation of markets for reasons of a veterinary nature arose during the first development

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\* Spanish declaration in the agriculture title of the 21 March 1984 session.

in the beef sector and that, since the new member states have a better health situation, the original member states banned themselves from exporting to the former since efforts should be directed toward an improvement, not a decline in health standards."\* A precedent which — despite being misleading, conceals the economic interests at stake at that time, since Denmark and Ireland were not exporting beef, they filled some of England's orders and expected to replace Argentine and South African sales to Great Britain — is perfectly illuminating when we taken note of the EEC's chief position on this issue.

Later, Spain weakened at some point in the defense of this issue, in our modest opinion, in admitting that, given the existing problem, it was soliciting "the possibility of permanent Community controls on the Spanish market within the framework of the Common Market Organization's normal application, similar to the measures applied in certain member states with analogous situations,"\*\* which is something like agreeing with the opposite position, or say nothing of the argument that, unable to benefit from the relief afforded by exports for reasons of animal health, such permanent controls with purchases at a guaranteed price or subsidies for warehousing, would indefinitely be prolonged over a period of time, as a result of which mountains of frozen Spanish pork would be produced which it would be impossible to store in our cold-storage plants or to finance, given the permanent crisis affecting EAGGF funds. Permanent controls of 1.2 million tons in a market like the Spanish market are neither practicable nor assimilable to the actions of a regional nature which the EEC has up to now employed when an epizooty occurs.

The Spanish negotiating team's effort has been extensive, sacrificing, intelligent on many occasions and exhausting. Above all exhausting. And the "desire to handle the whole thing" is a new temptation during the final phase of the negotiations.

Any agricultural matter must be discussed with the sectors that are affected, seeking new arguments, morale and social support in order to firmly maintain the positions for recognition of the specific problems of the pig sector. I believe that it will be an honor for all of us to really collaborate with our negotiators from the point of view of the interests of the state, not those of the parties.

Madrid, 1987

Madrid, 28 in Spanish 28 Nov 84 p 59

[Signed by Julio De Miguel]

[Text] says that the general lines of the Community's position are known and have been discussed, the citrus sector believes that it is imperative on points and certain aspects and attitudes which it considers to be consistent with

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\* Community declaration in the title on agriculture of the 19 June 1984 session.

\*\* Community declaration in the title on agriculture of the 19 June session.



respect to membership. As we know, our sector is not a sensitive one for the Community, it is not going to produce surpluses, but it is going to raise the Community's level of self-sufficiency.

Over 85 percent of our citrus exports habitually go to the EEC. This, in fact, proves to what extent our citrus fruits are already integrated into the actual situation in Europe. And all this is so despite the sharp tariff discrimination which, as we know, our products suffer from in comparison with those of our most immediate competitors. Let us realize, just as the government does, that the object of the transition is to organize the convergence of the Spanish economy with the Community system and in this way succeed in attaining a real Common Market, which implies the gradual introduction of transitional measures, but eliminating as of now discriminatory situations and seeking maximal equilibrium between the various elements and reciprocity in the efforts that are to be realized. Responsible for marketing the products of 270,000 farmers with somewhat more than 260 hectares on our country, the citrus sector possesses a history as long as a brief presentation permits.

Two hundred years of organized production and over 100 years of exports which during the last harvest season, 1983-1984, succeeded in attaining the record figure of over 2.35 million metric tons exported and reimbursements that came close to 120 billion pesetas, with a social component of great importance since wage expenditures during the process may be evaluated at over 28 million pesetas, which means over 200,000 jobs at the height of the season. We believe that the sector at least deserves to have our considerations — repeatedly expressed from the start of the negotiations — taken into account at this decisive time, on the eve of the signing of the membership agreement.

Judging from the news of the negotiating process that we have at our disposal — the little, confusing and contradictory official news — as we understand it, the prospects are hardly favorable. The Community's internal problems in financial matters and adaptations of the PAC (Common Farm Policy) have been overly prolonging the negotiating process, which has permitted the Community to introduce substantial modifications that are unfavorable for us. Since the French presidency's opportunity to consummate Spain's membership has been frustrated, only a decisive political action can break the deadlock of the last few meetings.

The initial criterion of global negotiation is not progressing and we would almost say that it has been discarded, which can be dangerous for the politically weaker sectors. We fear that, as concerns fruit and vegetables, and therefore citrus fruits, the Commission wishes to impose a transition period of 10 years and by stages, a view that it appears will predominate in the decision of the Ten. In the same context, the new legislation for fruit and vegetables, which means a big new increase in index prices for our citrus fruits, will aggravate our loss of competitiveness.

The same "basic rights" we have now are being proposed to initiate the transition period, that is, to retain our tariff discrimination as opposed to Morocco's 4 percent and Israel's 8 percent. The Commission has also gone so far as to demand a system for controlling and keeping watch on imports into the



Community from Spain during the transition period. In the face of these and other conditions that are presented in the draft proposal for negotiations on the fruit and vegetable sector, the citrus sector's position is this: Our citrus fruits should be integrated into the PAC as of membership, which means that Community controls and the approximation of prices would be realized under normal conditions as of membership.

What we have said also implies that the proposed system of phases or stages is "unacceptable" to us. The 10-year period, also usual, is not acceptable. "At its own expense," our sector has effected the necessary agricultural and commercial reconversions in order to suffer the least damage at the time of obtaining membership without a transition period. What has indeed been very traumatic for us are the long years of negotiation, which have permitted the growth of our competitors through the aid they have received, both direct and indirect.

The principle of "Community preference" should be applied to Spanish citrus fruits as of membership. Regressive in nature the "basic rights" applicable to Spanish citrus fruits should at least be equal to those of the most-favored third country at the time of membership. All this is aimed at seeing to it that our sector does not continue to suffer the current discriminations. Elimination of this situation involving inferiority to other third countries is what might make possible the free circulation of goods throughout Spain at the end of the transition period and with it the settlement of an old dispute that is waiting to be resolved. On the other hand and given the level of citrus fruit prices at the level of production as well as on the wholesale market in Spain and in those Community countries that produce them (Italy and Greece), we do not see the need for applying compensatory sums as of the signing of our membership agreement.

And finally, we believe that the application of disciplinary measures to Spanish products would not be acceptable for Spanish citrus fruits "on any account" since they do not at present exist and since our incorporation, as we said at the start, will not produce surpluses, but will raise the level of self-sufficiency of the Community itself. For the sake of confining ourselves to the matter at hand and of brevity, we abstain from indulging in other historical, social or political considerations which are, naturally, in our minds.

Madrid ABC in Spanish 28 Nov 84 p 60

[Article by Francisco Rodriguez, the chairman of the National Dairy Committee]

[Note] Although it looks it, there is nothing special about the fact that, with regard to the conditions from which Spain cannot withdraw at this time when we are negotiating our admission into the European Communities, two personages as different — and as removed from one another — as Manuel Fraga and Santiago Carrillo agree with each other. One of them says: Yes, join, but not to remain in the doghouse; the other says: yes, join, but not to have one foot outside. Only Mr. Roca Yuryent proposes a very peculiar criterion which amazes

not a few people and which consists of asserting that the important thing is to join even if we are then badly off, because it would be worse to stay out. But worse for whom, Mr Roca?

It is not my intention to offer any kind of advice here to those who are responsible for governing and making decisions. Moreover, I know that the business of our entry into the Common Market is an arduous one and that we cannot escape the fact that two kinds of evaluations of it are being made which have nothing to do with one another, although they mutually condition one another. And I am referring to the fact that there will always be a political and intellectualized evaluation inspired by the laudable desire to build a united and solidary Europe — an idea with which it would make no sense to disagree — and a strictly economic evaluation in which, aside from the esthetic ideal, the reality of an aggregate of independent countries is resplendent, countries gambling desperately to resolve the contradiction, or squaring of the circle, by virtue of which their respective internal balances and a market for economic goods common to all of them are combined, one which by its very nature tends to disrupt those very balances.

The countries of Northern Europe need to maintain peace in their rural sectors, which is leading them to discuss the fact that they cannot go on producing on behalf of all those mountains of butter for which they alone are responsible. And these are the same countries which, seeing the mote in the other person's eye, have no difficulty in asserting that the same principle of guaranteeing wine, oil or certain fruit products can in no way be extended to the Mediterranean crops. The Dutch, Germans and French consequently let purely political policies prevail in defense of the general interests of their respective countries while trying to apply a rule of strict domestic economy, which is to request the other Community countries — and we are not saying the new candidates — to produce only what they consume.

Viewed in this light, what is pompously called the European Economic Community seems to be nothing more than a mosaic of countries characterized by the splendor of their respective selfishness in which application of the law of intrigue is an obvious constant. Emilio Romero once gave a very good definition of the Common Market. He defined it as a long list: the list of each one's interests. How far off the horizon of those beautiful words of Ortega on viewing Europe as a plan for a life in common still seem!

The foregoing considerations seem to me to be inevitable to justify my fears about the result of our negotiations for membership. Because we are at this time a country that has a lot to lose if we want to maintain the old principle that Spain is for the Spaniards. It would be another matter if what we want is to sell our country on easy terms to which might be applied the technical description, "transition period," so that the new masters may take possession of our market without its being overly noticeable.

One of the sectors whose difficulties in surviving cannot be disputed is the livestock sector, and more specifically the dairy sector. Let us all consider that what we are doing here is promoting a fight between a heavyweight and a flyweight. Let us consider, moreover, that the rules of the game are dictated

by the former of the two. Thus it turns out that Spain would have to assume the following:

1. That, except for exceptions that remain to be seen, Spanish dairy farmers would have to pay the European Farm Guarantee Fund (FOEGA) a so-called cooperation fee, designed to finance some of the milk surpluses others produce.
2. That they (the dairy farmers) will have to accept a limitation or the imposition of quotas on their milk production taking 1 year of reference as a base figure. It would, therefore, freeze improvement of our dairy industry, the current yield of which per animal scarcely amounts to 60 percent of those of the northern countries of the Community.
3. The dairy farmers of the Cantabrian coast highway, whose products now go to the consumer markets of Catalonia and the Near East among others, would run the risk of foreign dairy products, chiefly from Southern France, from where the shipping distance is much shorter, establishing themselves in these markets. In that case the alternative for the Galician and Asturian dairy farmers would be to switch to powdered milk and butter destined for regulation by the FEOGA at controlled prices calculated on the basis of infinitely more competitive zones and dairy farms.

In the first case we would be abetting a notorious injustice by making our farmers jointly liable with their European colleagues, who are the ones who really produce the surpluses. And the fact that the Community may be trying to reduce these surpluses over the next 5 years serves no purpose because it is the very principle of making the just pay for the sinners that seems to me to be unacceptable.

In the second case, applying the imposition of quotas on milk production to everyone equally is somewhat less unusual. Thus it would turn out that optimal profits would be sanctioned for those dairy farmers who have already attained maximal development — the case of the present members of the Community — and the profits of those who, because they are making genetic improvements, lack meadowland and the adaptation of production structures in general — the case of Spain — would become stagnant.

The third hypothesis is not exactly science fiction. That the replacement on the market of most Spanish products made of cow's milk by similar products coming from the Community countries is something which it quite obviously appears to me we will have to reckon with. What is no longer so obvious is that milk can be produced in Spain at the prices the FEOGA is offering for the purchase of powdered milk and butter. From which we infer that, if we cannot compete with products of greater added value, whether because of shipping costs or for other reasons, and with regulated products and thus the possibility exists that we may not be able to produce, the consequence is clear: Our dairy industry could disappear and with it the livings of over a million Spaniards.

Moreover, it seems to be unnecessary to speak here of what would happen in other regions of Spain, where 50 percent of the milk the country consumes is produced. If the future of the dairy industry is not bright in Galicia, what can be

expected of the rest of the provinces where the cows are fed with dry fodder? In any case, I leave the question open for anyone who may object that cows fed in this way have no right to exist. Which is equivalent to saying that their owners do not have any either.

I do not want to go into obvious observations. I do not mean to deny that the ideal situation would be a Europe in which the principles of reciprocity and of specialization prevail. But the facts we gather from reality are other. These facts tell us that all the European countries have tended to produce everything and that, whether for strategic reasons or for economic and social imperatives, national stores of provisions have always been protected from theoretical speculations. This is precisely why we have these current difficulties at a time when we are establishing a common agrarian policy.

As for the future of industry, whose problems are not of a technical kind, as those who have always been simplistic might imagine, it is appropriate to say that it is not bright either. Because we have to add another question to the ones just noted: What may happen if Spanish dairy farmers opt to receive the reconversion subsidy to stop producing milk and engage in some other occupation? In just a few months over 50,000 French dairy farmers have already opted for this formula.

So now you see that, shortly after getting an idea of the sectors, we observe that the real conditions are what they are and that independence from them may more or less be what we want. But we also see what we do not see, that is, we get an idea of the sectors without due caution and gained solely from what in the best of cases are nothing but illusions. The illusion of a united Europe, with a common system of laws, with a common currency, with a common political will..., which are things that arouse enthusiasm in everyone, but which have nothing to do with the sad Europe of the merchants, one in which we will have to take great care that they do not cheat us on the weight.

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## ACADEMIC ASSESSES FACTORS PREVENTING RENEWED INVESTMENT

Madrid ABC in Spanish 19 Nov 84 p 35

[Article by Ernst Durr]

[Text] Economic growth requires investment; investment, in turn, requires planning for long-term investment in business. Planning for long-term investment in business requires, in turn, that the facts which shape and facilitate economic policy be reliable. This does not mean that the government should dictate to business, by means of long-term development plans, the future development of demand for goods and services or should try to establish the allocation of investment by sector, as was the case with French planning and, in part, with Spanish development planning. Instead, the government should try to ensure that the market mechanism works and that an economic policy based on the market maintains itself in operation.

The functioning of the market mechanism requires price stability as a precondition; the objective to be pursued is that any change in the price of goods should really correspond to a change in the market for such goods and be dictated by market trends.

Inflation not only distorts but also influences market price indicators.

It is true that inflation in Spain today is not at the levels reached at the end of the 1970s, but nevertheless inflation rates within the group of OECD countries and European OECD countries have been reduced since 1980 to a greater extent than they have in Spain, so that the difference in inflation between Spain and the other countries has increased.

Present Spanish economic policy rests on the idea that the gradual reduction of inflation will lead to a limited contraction of economic growth and of employment, whereas strong fight against inflation would result immediately in stability of the currency to a degree that would enable businessmen to develop their plans. Nowhere has it proved possible to avoid a crisis by means of a slow and gradual fight against inflation. Instead, what happened was that the crisis was prolonged.

Now the Spanish Government does not appear to be in a position to carry on a quick fight against inflation so long as the budget deficit is not reduced drastically. While it is true that the Spanish budget deficit, as a percentage of the GNP, has been slightly reduced at present, this nevertheless means that in case of an inflationary rise in the GNP this budget deficit will again



increase markedly in absolute terms. Because the Bank of Spain has financed the budget deficit, a reduction in the money supply compatible with stability in growth rates has been blocked up to now, as has an effective anti-inflation policy.

To the extent that a reduction in the rate of growth of the money supply has been achieved in spite of the high budget deficit, the consequence has been an increase in interest rates. To the extent that the government takes capital from the economy to finance its budget deficit, capital for private investment will be lacking.

Moreover, a solution to the unemployment problem is made more difficult in Spain owing to the fact that wages have increased to a greater extent than inflation rates.

In this respect, it should be noted that the labor element of production costs has been increased artificially. The result is that wages are higher than they would be in a free labor market. The consequences are that same as those deriving from the government's fixing of prices for certain goods; a surplus emerges. Thus, for example, as a consequence of high agricultural prices in the EEC, agricultural surpluses have emerged; as a result of high wages, surplus manpower has emerged, i.e., unemployment.

When wage costs increase to a greater extent than national income, those who have work, of course, receive higher wages, but the number of people who can find work at such wage levels is decreased.

The statistical data recently published about increased profits in private businesses are certainly significant in terms of the businesses' increased liquidity. But long-term investments are made only when there are prospects of future profits, which are not based solely on inflation rates. These prospects are reduced owing to uncertainty about the future course of economic policy.

The policy of government control and intervention with regard to industrial reorganization also contributes to private businesses' doubts and uncertainty. This is especially so because in its own 1981 and 1982 reorganization programs the government proposed that it should designate the sectors to be reorganized and that such reorganization should be carried out on the basis of plans drawn up by the government, businessmen and trade unions in collaboration. Flexible work contracts and government assistance would be limited, to a great extent, to those sectors, and other businesses and sectors would thus be excluded. The industrial reorganization plans set forth in the 1983 reorganization White Book are not compatible with a market economy, especially since, according to what is said about the reconversion corporations that would be created, the latter "will absorb large blocks of resources at the expense of private businesses."

What Spain needs is a consistent economic policy that would result in a greater market economy, greater competence, greater stability, reduced government intervention and reduced government expenditures. It ought always to be kept in mind that it is the function of private enterprise, not of the government, to discover and use future opportunities for profit.



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